



Horizon Blue Cross Blue Shield of New Jersey



Horizon Blue Cross Blue Shield of New Jersey

Three Penn Plaza East
Newark NJ 07105-2200
www.horizonblue.com

Dear Valued Customer:

Thank you for choosing Horizon Blue Cross Blue Shield of New Jersey for your health insurance coverage. We are here to help you understand your benefits and take charge of your health.

The enclosed information will help you better understand your benefits and the value-added programs available to you as a Horizon BCBSNJ member.

Here are some important tips you should follow:

Keep your Horizon BCBSNJ ID card with you at all times. It is the key to accessing your health care benefits. Please present your ID card whenever you need medical care or services.

Visit directory.HorizonBlue.com to use our online *Provider Directory*. Here, you can find a participating doctor, hospital or other health care professional. If you would like a printed copy of our provider directory, you may request one by calling Member Services at 1-800-355-BLUE (2583).

Visit HorizonBlue.com and register for Member Online Services. Through Member Online Services, you can:

- View your benefits.
- Check your claims status and payments.
- View authorizations and referrals, if applicable.
- Print a duplicate ID card, or Coverage Letter for your dependent(s).
- Tell us if you have other health insurance coverage.
- Find a participating doctor or hospital.
- Change your doctor or dentist, if applicable.
- Manage your Member Online Services account and preferences.

Call our Interactive Voice Response (IVR) system for information at your convenience. Through our IVR system, you can get answers to your questions 24 hours a day (usually including weekends/holidays).

Be prepared if a medical emergency arises. If you or a covered dependent experiences an actual medical emergency, we suggest you follow these steps:

- Call **911** or go directly to the nearest Emergency Room.
- Call your Primary Care Physician (PCP) or personal doctor as soon as reasonably possible so that he/she can coordinate your follow-up care. You do not need to call Member Services in a medical emergency.

If you have questions about your Horizon BCBSNJ coverage, our Member Services Representatives are here to help. Simply call 1-800-355-BLUE (2583).

An Independent Licensee of the
Blue Cross and Blue Shield Association.

Thank you for choosing Horizon BCBSNJ. We look forward to *Making Healthcare Work* for you.

Sincerely,

**Horizon Healthcare Services, Inc. d/b/a
Horizon Blue Cross Blue Shield of New Jersey**

By:

A handwritten signature in black ink that reads "Al Bowles". The signature is written in a cursive, flowing style.

**Al Bowles
Vice President
Commercial and Major Account Markets**

SMALL GROUP HEALTH BENEFITS POLICY

POLICYHOLDER: YEAR NINE

GROUP POLICY NUMBER	GOVERNING JURISDICTION	EFFECTIVE DATE OF POLICY
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SAMPLE	NEW JERSEY	[], 2014
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POLICY ANNIVERSARIES:	[] of each Year, beginning in 2015
PREMIUM DUE DATES:	Monthly
AFFILIATED COMPANIES:	None

Horizon Blue Cross Blue Shield of New Jersey, Inc. in consideration of the application for this Policy and of the payment of premiums as stated herein, agrees to pay benefits in accordance with and subject to the terms of this Policy. This Policy is delivered in the jurisdiction specified above and is governed by the laws thereof.

The provisions set forth on the following pages constitute this Policy.

The Effective Date is specified above.

This Policy takes effect on the Effective Date, if it is duly attested below. It continues as long as the required premiums are paid, unless it ends as described in the **General Provisions** section.

Horizon Healthcare Services, Inc. d/b/a
Horizon Blue Cross Blue Shield of New Jersey
By:



Al Bowles
Vice President
Commercial and Major Account Markets

Policy Holder's Name:

Authorized Signature:

Title: _____ Date: _____

HORIZON HEALTHCARE SERVICES, INC.

RIDER FORM (EPO HSC/HDHP)

Policyholder:SAMPLE

Group Policy No.:SAMPLE

Effective Date:[], 2014

As of the above Effective Date, the Policy describing the New Jersey Standard Small Employer Indemnity EPO Plan D is amended as follows. Refer to the sections of the Policy referenced below to see how these changes affect those sections.

I. The section "Schedule of Insurance and Premium Rates" is amended as follows:

a) The following services are added under the heading "**Preapproval** is required for charges incurred in connection with":

- Ambulance services for non-emergency transportation.
- Pain management
- Sleep apnea syndrome diagnostic testing.

This Rider is part of the Policy. Except as stated above, nothing in this Rider changes or affects any other terms of the Policy. Attach this Rider to the Policy.

Horizon Healthcare Services, Inc. d/b/a
Horizon Blue Cross Blue Shield of New Jersey
By:



Al Bowles
Vice President
Commercial and Major Account Markets

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SCHEDULE OF INSURANCE AND PREMIUM RATES

Plan B, C, D, E

This Policy's classifications, and the insurance coverages and amounts which apply to each class are shown below:

CLASS(ES): All eligible employees

EMPLOYEE AND DEPENDENT HEALTH BENEFITS

Copayment

Preventive Care	None
Second surgical opinion	None
Maternity Care (pre-natal visits)	None
Immunizations and lead screening for children	None

For all other treatment, services and supplies given by a **Network** Provider

Primary Care Physician Visits when care is provided by the pre-selected PCP	\$30
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Specialist Visits and PCP visits if the PCP was not pre-selected	\$50
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RADIOLOGY (DIAGNOSTIC) (other than on an Inpatient Hospital basis)

Outpatient hospital:	\$50 Copayment
Freestanding facility or Network Practitioner's office:	\$0 Copayment/visit

LABORATORY (other than on an Inpatient Hospital basis)

Outpatient hospital:	\$50 Copayment
Freestanding facility or Network Practitioner's office:	\$0 Copayment/visit

Therapeutic Manipulation	\$30 Copayment/visit
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ALL COVERED THERAPY SERVICES

Outpatient Facility Charge:	50%
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Network Practitioner's Office:	\$30 Copayment/visit
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Emergency Room Copayment (waived if admitted within 24 hours)	\$100
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Note: The Emergency Room Copayment is payable in addition to the applicable Copayment, Deductible and Coinsurance.

Urgent Care	\$50
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Prescription Drugs:

Retail:

Generic Drugs	\$15
Preferred Drugs	40%
Non-Preferred Drugs	50%

Mail Order:

Generic Drugs	\$30
Preferred Drugs	40%
Non-Preferred Drugs	50%

Calendar Year Cash Deductibles

For treatment, services and supplies given by a Network Provider:

Preventive Care	None
Second surgical opinion	None
Immunizations and lead screening for children	None
Maternity	None

RADIOLOGY (DIAGNOSTIC)

(other than on an Inpatient Hospital basis)

Outpatient hospital:	None
Freestanding facility or Network Practitioner's office:	None

LABORATORY

(other than on an Inpatient Hospital basis)

Outpatient hospital:	None
Freestanding facility or Network Practitioner's office:	None

Services performed in a Network Practitioner's office: None

Durable Medical Equipment None

For all other covered services and supplies:

Per Covered Person	\$2,000
Per Covered Family	\$4,000

Coinsurance

Coinsurance is the percentage of a Covered Charge that must be paid by a Covered Person. However, Horizon BCBSNJ will waive the Coinsurance requirement once the Network Maximum Out of Pocket has been reached with respect to Network services and supplies. This Policy's Coinsurance, as shown below, does not include Cash Deductibles, Copayments, penalties incurred under this Policy's Utilization Review provisions, or any other Non-Covered Charge.

The **Coinsurance** for this Policy is as follows:

Preventive Care	0%
Immunizations and lead screening for children	0%
Second surgical opinion	0%
Maternity	0%
Durable Medical Equipment	50%
<u>RADIOLOGY (DIAGNOSTIC)</u> (other than on an Inpatient Hospital basis)	
Freestanding facility or Network Practitioner's office:	0%
Outpatient Hospital	0%
<u>LABORATORY</u> (other than on an Inpatient Hospital basis)	
Freestanding facility or Network Practitioner's office:	0%
Outpatient Hospital	0%
Vision Benefits (for Covered Persons through the age of 18)	
V2500 – V2599 Contact Lenses	0%
Optional lenses and treatments	0%
For treatment, services or supplies provided in a Network Practitioner's office	0%
For all other services and supplies: if treatment, services or supplies are given by a Network Provider	50%

Network Maximum Out of Pocket

Network Maximum Out of Pocket means the annual maximum dollar amount that a Covered Person must pay as Copayment, Deductible and Coinsurance for all Network covered services and supplies in a Calendar Year. All amounts paid as Copayment, Deductible and Coinsurance shall count toward the Network Maximum Out of Pocket. Once the Network Maximum Out of Pocket has been reached, the Covered Person has no further obligation to pay any amounts as Copayment, Deductible and Coinsurance for Network covered services and supplies for the remainder of the Calendar Year.

The **Network Maximum Out of Pocket** for this Policy is as follows:

Per Covered Person per Calendar Year	\$6,000
Per Covered Family per Calendar Year	\$12,000

Note: The Network Maximum Out of Pocket cannot be met with Non-Covered Charges.

Daily Room and Board Limits

During a Period of Hospital Confinement

For semi-private room and board accommodations, Horizon BCBSNJ will cover charges up to the Hospital's actual daily semi private room and board rate.

For private room and board accommodations. Horizon BCBSNJ will cover charges up to the Hospital's average daily semi-private room and board rate, or if the Hospital does not have semi-private accommodations, 80% of its lowest daily room and board rate. However, if the Covered Person is being isolated in a private room because the Covered Person has a communicable illness, Horizon BCBSNJ will cover charges up to the Hospital's actual private room charge.

For Special Care Units, Horizon BCBSNJ will cover charges up to the Hospital's actual daily room and board charge for the Special Care Unit.

During a Confinement In An Extended Care Center Or Rehabilitation Center

Horizon BCBSNJ will cover the lesser of:

- a. the center's actual daily room and board charge; or
- b. 50% of the covered daily room and board charge made by the Hospital during the Covered Person's preceding Hospital confinement, for semi-private accommodations.

Pre-Approval is required for charges incurred in connection with:

- Durable Medical Equipment
- Extended Care and Rehabilitation
- Home Health Care
- Hospice Care
- Infusion Therapy
- Autologous Bone Marrow Transplant and Associated Dose Intensive Chemotherapy for treatment of breast cancer
- Services and/or prescription drugs to enhance fertility
- Nutritional Counseling
- Certain Prescription Drugs including Specialty Pharmaceuticals and certain injectable drugs
- Complex Imaging Services
- V2500-V2599 Contact Lenses

Horizon BCBSNJ will reduce benefits by 50% with respect to charges for treatment, services and supplies which are not Pre-Approved by Horizon BCBSNJ provided that benefits would otherwise be payable under this Policy.

Payment Limits: For Illness or Injury, Horizon BCBSNJ will pay up to the payment limit shown below:

Charges for therapeutic manipulation per Calendar Year	30 visits
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Charges for speech and cognitive therapy per Calendar Year (combined benefits)	30 visits
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For speech therapy see below for the separate benefits available under the Diagnosis and Treatment of Autism and Other Developmental Disabilities Provision.

Charges for physical or occupational therapy per Calendar Year (combined benefits)	30 visits
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See below for the separate benefits available under the Diagnosis and Treatment of Autism and Other Developmental Disabilities Provision.

Charges for speech therapy per Calendar Year provided under the Diagnosis and Treatment of Autism and Other Developmental Disabilities Provision	30 visits
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Note: These services are habilitative services in that they are provided to help develop rather than restore a function.

Charges for physical and occupational per Calendar Year provided under the Diagnosis and Treatment of Autism and Other Developmental Disabilities Provision (combined benefits)	30 visits
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Note: These services are habilitative services in that they are provided to help develop rather than restore a function.

Charges for Preventive Care per Calendar Year as follows:
(Not subject to Copayment, Cash Deductible or Coinsurance)

Charges for hearing aids for a Covered Person age 15 or younger	One hearing aid per hearing impaired ear per 24-month period
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Home Health Care	60 visits per Calendar Year
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Per Lifetime Maximum Benefit (for all Illnesses and Injuries)	Unlimited
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PREMIUM RATES

The initial monthly premium rates, in U.S. dollars, for the insurance provided under this Policy are set forth on the rate quote for this Policy for the effective date shown on the face page of this Policy.

Horizon BCBSNJ has the right to prospectively change any premium rate(s) set forth above at the times and in the manner established by the provision **Premium Rate Changes** section of this Policy.

GENERAL PROVISIONS

RESPONSIBILITIES OF THE POLICYHOLDER:

As used in this provision "SBC" means the Summary of Benefits and Coverage required by federal law.

- a. The Policyholder shall deliver to all Eligible Persons, including Horizon BCBSNJ Covered Persons, the SBC for the group health benefits provided under this Policy, as required by federal law or regulations, in a timely and appropriate manner. The Policyholder shall distribute SBCs under this provision: to all Eligible Persons with any written application materials for enrollment (including open enrollment); to special enrollees; and upon renewal of coverage; and upon request.
- b. The Policyholder shall distribute applicable SBCs, upon request and at any other times, to Eligible Persons who are not currently enrolled with Horizon BCBSNJ.
- c. The Policyholder agrees to certify to Horizon BCBSNJ upon Horizon BCBSNJ's request that the Policyholder has provided the SBC as required under this Policy and by law. The Policyholder agrees to submit information upon Horizon BCBSNJ's request showing that the Policyholder has provided the SBC, as required under this Policy and by law.

THIS POLICY

The entire Policy consists of:

- a. the forms shown in this Policy Index as of the Effective Date;
- b. the Policyholder's application, a copy of which is attached to this Policy;
- c. any riders, or amendments to this Policy;
- d. the individual applications, if any, of the persons covered.

STATEMENTS

No statement will void the insurance under this Policy, or be used in defense of a claim hereunder unless:

- a. in the case of this Policyholder, it is contained in the application signed by the Policyholder; or
- b. in the case of a Covered Person, it is contained in a written instrument signed by the Covered Person, and a copy of which is furnished to the Covered Person.

All statements will be deemed representations and not warranties.

INCONTESTABILITY OF THIS POLICY

There will be no contest of the validity of this Policy, except for not paying premiums, after it has been in force for two years from the Effective Date.

No statement in any application, except a fraudulent statement, made by the Policyholder or by a person insured under this Policy shall be used in contesting the validity of his or her insurance or in denying a claim for a loss incurred after such insurance has been in force for two years during the person's lifetime. Note: There is no time limit with respect to a contest in connection with fraudulent statements.

AMENDMENT

This Policy may be amended, at any time, without the consent of the Covered Persons or of anyone else with a beneficial interest in it. This can be done through written request made by the Policyholder

and agreed to by Horizon BCBSNJ. Horizon BCBSNJ may also make amendments to this Policy, as provided in b. and c. below. Horizon BCBSNJ will give the Policyholder 30 days advance written notice. An amendment will not affect benefits for a service or supply furnished before the date of change.

Only an officer of Horizon BCBSNJ has authority: to waive any conditions or restrictions of this Policy; or to extend the time in which a premium may be paid; or to make or change a Policy; or to bind Horizon BCBSNJ by a promise or representation or by information given or received.

No change in this Policy is valid unless the change is shown in one of the following ways:

- a. It is shown in an endorsement on it signed by an officer of Horizon BCBSNJ.
- b. In the case of a change in this Policy that has been automatically made to satisfy the requirements of any state or federal law that applies to this Policy, as provided in the **Conformity With Law** section, it is shown in an amendment to it that is signed by an officer of Horizon BCBSNJ.
- c. In the case of a change required by Horizon BCBSNJ, it is shown in an amendment to it that:
 - is signed by an officer of Horizon BCBSNJ; and
 - is accepted by the Policyholder as evidenced by payment of a premium becoming due under this Policy on or after the Effective Date of such change.
- d. In the case of a written request by the Policyholder for a change, it is shown in an amendment to it signed by the Policyholder and by an officer of Horizon BCBSNJ.

AFFILIATED COMPANIES

If the Policyholder asks Horizon BCBSNJ in writing to include an Affiliated Company under this Policy, and Horizon BCBSNJ gives written approval for the inclusion, Horizon BCBSNJ will treat Employees of that company like the Policyholder's Employees. Horizon BCBSNJ's written approval will include the starting date of the company's coverage under this Policy. But each eligible Employee of that company must still meet all the terms and conditions of this Policy before becoming covered.

An Employee of the Policyholder and one or more Affiliated Companies will be considered an Employee of only one of those Employers for the purpose of this Policy. That Employee's service with multiple Employers will be treated as service with that one.

The Policyholder must notify Horizon BCBSNJ in writing when a company stops being an Affiliated Company. As of this date, this Policy will be considered to end for Employees of that Employer. This applies to all of those Employees except those who, on the next day, are employed by the Policyholder or another Affiliated Company as eligible Employees.

PREMIUM AMOUNTS

The premium due on each premium due date is the sum of the premium charges for the coverage then provided. Those charges are determined from the premium rates then in effect and the Employees and Dependents then covered.

Premium Refunds

If one or more of the premiums paid include charges for an Employee and/or Dependent whose coverage has ended before the due date of that premium, any refund of premium will depend on whether the Employee contributed toward the premium payment or whether it was paid in full by the Policyholder.

If the Employee contributed toward the premium payment, Horizon BCBSNJ will not refund the premium and coverage will continue in force through the end of the period for which premium has been contributed by the Employee.

If the premium was paid in full by the Policyholder, any refund of premium will depend on whether claims were incurred during the period of no more than two months for which refund is requested. If no claims have been incurred Horizon BCBSNJ will refund premiums paid for a maximum of two months prior to the date Horizon BCBSNJ receives written notice from the Policyholder that the Employee's and/or Dependent's coverage has ended. If claims have been incurred during the period prior to Horizon BCBSNJ's receipt of written notice that the Employee and Dependent's coverage has ended, Horizon BCBSNJ shall not be required to refund premium to the Policyholder.

PAYMENT OF PREMIUMS - GRACE PERIOD

Premiums are to be paid by the Policyholder to Horizon BCBSNJ. Each may be paid at a Horizon BCBSNJ's office or to one of its authorized agents. A premium payment is due on each premium due date stated on the first page of this Policy. The Policyholder may pay each premium other than the first within 31 days of the premium due date without being charged interest. Those days are known as the grace period. The Policyholder is liable to pay premiums to Horizon BCBSNJ for the time this Policy is in force.

REINSTATEMENT

If the premium has not been paid before the end of the grace period, this Policy automatically terminates as of the last day of the grace period. The Policyholder may make written request to the Horizon BCBSNJ that this Policy be reinstated. If the Horizon BCBSNJ accepts the request for reinstatement, the Policyholder must pay all unpaid premiums back to the date premium was last paid. Such payment is subject to the premium rate then in effect and to the payment of the reinstatement fee as established by the Horizon BCBSNJ.

PREMIUM RATE CHANGES

The premium rates in effect on the Effective Date are shown in this Policy's Schedule. Horizon BCBSNJ has the right to prospectively change premium rates as of any of these dates:

- a. Any premium due date.
- b. Any date that an Employer becomes, or ceases to be, an Affiliated Company.
- c. Any date that the extent or nature of the risk under this Policy is changed:
 - by amendment of this Policy; or
 - by reason of any provision of law or any government program or regulation; or
 - If this Policy supplements or coordinates with benefits provided by an other insurer, non-profit hospital or medical service plan, or health maintenance organization, on any date Horizon BCBSNJ's obligation under this Policy is changed because of a change in such other benefits.
- d. At the discovery of a clerical error or misstatement as described below.

Horizon BCBSNJ will give the Policyholder 60 days advance written notice when a change in the premium rates is made.

PARTICIPATION REQUIREMENTS

At least 75% of the Employees eligible for insurance must be enrolled for coverage. If an eligible Employee is not covered by this Policy because:

- a) the Employee is covered as a Dependent under a spouse's coverage, other than individual coverage;

- b) the Employee is covered under any fully-insured Health Benefits Plan issued by the same carrier offered by the Policyholder;
- c) the Employee is covered under Medicaid or NJ FamilyCare;
- d) the Employee is covered under Tricare; or
- e) the Employee is covered under another group health benefits plan.

Horizon BCBSNJ will count this person as being covered by this Policy for the purposes of satisfying participation requirements.

CLERICAL ERROR - MISSTATEMENTS

Except as stated below, neither clerical error nor programming or systems error by the Policyholder, nor Horizon BCBSNJ in keeping any records pertaining to coverage under this Policy, nor delays in making entries thereon, will invalidate coverage which would otherwise be in force, or continue coverage which would otherwise be validly terminated. Upon discovery of such error or delay, an appropriate adjustment of premiums will be made, as permitted by law.

Exception: If an Employee contributed toward the premium payment and coverage continued in force beyond the date it should have been validly terminated as a result of such error or delay, the continued coverage will remain in effect through the end of the period for which the Employee contributed toward the premium payment and no premium adjustment will be made.

Premium adjustments involving return of unearned premium to the Policyholder for such errors or delays will be made only if the Employee did not contribute toward the premium payment. Except as stated in the Premium Refunds section of the **Premium Amounts** provision, such return of premium will be limited to the period of 12 months preceding the date of Horizon BCBSNJ's receipt of satisfactory evidence that such adjustments should be made.

If the age or gender of an Employee is found to have been misstated, and the premiums are thereby affected, an equitable adjustment of premiums will be made.

TERM OF THIS POLICY - RENEWAL PRIVILEGE – TERMINATION

This Policy is issued for a term of one (1) year from the Effective Date shown on the first page of this Policy. All Policy Years and Policy Months will be calculated from the Effective Date. Plan Years will be measured as stated in the definition of Plan Year. All periods of insurance hereunder will begin and end at 12:01 am. Eastern Standard Time at the Policyholder's place of business.

The Policyholder may renew this Policy for a further term of one (1) year, on the first and each subsequent Policy Anniversary. All renewals are subject to the payment of premiums then due, computed as provided in this Policy's **Premium Amounts** section and to the provisions stated below.

Horizon BCBSNJ has the right to non-renew this Policy on the Policy Anniversary following the date the Policyholder no longer meets the requirements of a Small Employer as defined in this Policy. The Policyholder must certify to Horizon BCBSNJ the Policyholder's status as a Small Employer every year. Certification must be given to Horizon BCBSNJ within 10 days of the date Horizon BCBSNJ requests it. If the Policyholder fails to do this, Horizon BCBSNJ retains the right to non-renew this Policy as of the Policyholder's Policy Anniversary.

Horizon BCBSNJ has the right to non-renew this Policy on the Policy Anniversary Date subject to advance written notice to the Policyholder for the following reasons:

- a) Horizon BCBSNJ ceases to do business in the small group market;
- b) Horizon BCBSNJ ceases offering and non-renews a particular type of Health Benefits Plan in the small group market; or
- c) the Board terminates a standard plan or a standard plan option.

The advance written notice for non-renewal for the reasons stated in items a and b above shall comply with the requirements of N.J.A.C. 11:21-16. The advance written notice required for the reason stated in item c above shall be the same as the notice requirements for item b above.

Horizon BCBSNJ has the right to non-renew this Policy on the Policy Anniversary Date subject to 60 days advance written notice to the Policyholder for the following reasons:

- a) the Policyholder moves outside the state of New Jersey;
- b) less than 75% of the Policyholder's eligible full-time Employees are covered by this Policy. If an eligible full-time Employee is not covered by this Policy because:
 - 1. the Employee is covered as a Dependent under a spouse's coverage, other than individual coverage;
 - 2. the Employee is covered under any fully-insured Health Benefits Plan issued by the same carrier offered by the Policyholder.
 - 3. The Employee is covered under Medicare;
 - 4. The Employee is covered under Medicaid or NJ Family Care;
 - 5. The Employee is covered under TRICARE; or
 - 6. The Employee is covered under another group health benefits plan, Horizon BCBSNJ will count that Employee as being covered by this Policy for purposes of satisfying participation requirements;
- c) the Policyholder does not contribute at least 10% of the annual cost of the Policy; or
- d) the Policyholder ceases membership in an association or multiple employer trust, but only if coverage is terminated uniformly, without regard to any Health Status-Related Factor relating to any Covered Person.

Note: A Policyholder will not be non-renewed for failure to meet the participation or contribution requirement if the renewal date coincides with the Employer Open Enrollment Period.

If any premium is not paid by the end of its grace period, this Policy will automatically end when that period ends. The Policyholder may write to Horizon BCBSNJ, in advance, to ask that this Policy be ended at the end of the period for which premiums have been paid or at any time during the grace period. Horizon BCBSNJ is not required to honor a request for a retroactive termination of this Policy. For prospective termination requests, this Policy will end on the date requested. The Policyholder is liable to pay premiums to Horizon BCBSNJ for the time this Policy is in force. Horizon BCBSNJ shall give notice of the date of termination to the Policyholder no more than 30 days following the date of the termination.

Immediate cancellation will occur if the Policyholder has performed an act or practice that constitutes fraud, or made an intentional misrepresentation of material fact under the terms of this Policy.

Please refer to the **Retroactive Termination of a Covered Person's Coverage** provision which also addresses the consequences of fraud or misrepresentation.

EMPLOYEE'S CERTIFICATE

Horizon BCBSNJ will give the Policyholder an individual certificate of coverage to give each covered Employee. It will describe the Employee's coverage under this Policy. It will include:

- a) to whom Horizon BCBSNJ pays benefits;
- b) any protection and rights when the coverage ends; and
- c) claim rights and requirements.

In the event this Policy is amended, and such amendment affects the material contained in the certificate of coverage, a rider or revised certificate reflecting such amendment will be issued to the Policyholder for delivery to affected Employees.

Responsibilities of the Policyholder:

As used in this provision "SBC" means the Summary of Benefits and Coverage required by federal law.

a. The Policyholder shall deliver to all Eligible Persons, including Horizon BCBSNJ Covered Persons, the SBC for the group health benefits provided under this Policy, as required by federal law or regulations, in a timely and appropriate manner. The Policyholder shall distribute SBCs under this provision: to all Eligible Persons with any written application materials for enrollment (including open enrollment); to special enrollees; and upon renewal of coverage; and upon request.

b. The Policyholder shall distribute applicable SBCs, upon request and at any other times, to Eligible Persons who are not currently enrolled with Horizon BCBSNJ.

c. The Policyholder agrees to certify to Horizon BCBSNJ upon Horizon BCBSNJ's request that the Policyholder has provided the SBC as required under this Policy and by law. The Policyholder agrees to submit information upon Horizon BCBSNJ's request showing that the Policyholder has provided the SBC, as required under this Policy and by law.

OFFSET

Horizon BCBSNJ reserves the right, before paying benefits to a Covered Person, to use the amount of payment due to offset a claims payment previously made in error.

CONTINUING RIGHTS

Horizon BCBSNJ's failure to apply terms or conditions does not mean that Horizon BCBSNJ waives or gives up any future rights under this Policy.

ASSIGNMENT BY POLICYHOLDER

Assignment or transfer of the interest of the Policyholder under this Policy will not bind Horizon BCBSNJ without Horizon BCBSNJ's written consent thereto.

CONFORMITY WITH LAW

Any provision of this Policy which is in conflict with the laws of the state in which this Policy is issued, or with Federal law, shall be construed and applied as if it were in full compliance with the minimum requirements of such State law or Federal law.

LIMITATION OF ACTIONS

No action at law or in equity shall be brought to recover on this Policy until 60 days after a Covered Person files written proof of loss. No such action shall be brought more than three years after the end of the time within which proof of loss is required.

WORKERS' COMPENSATION

The health benefits provided under this Policy are not in place of, and do not affect requirements for, coverage by Workers' Compensation.

NOTICES AND OTHER INFORMATION

Any notices, documents, or other information under this Policy may be sent by United States mail, postage prepaid addressed as follows:

If to Horizon BCBSNJ: To the last address on record with the Policyholder.

If to a Covered Person: To the last address provided by the Covered Person on an enrollment or change of address form actually delivered to Horizon BCBSNJ.

If to the Policyholder: To the last address of the Policyholder on record with Horizon BCBSNJ.

RECORDS - INFORMATION TO BE FURNISHED

Horizon BCBSNJ will keep a record of the Covered Persons. It will contain key facts about their coverage.

At the times set by Horizon BCBSNJ, the Policyholder will send the data required by Horizon BCBSNJ to perform its duties under this Policy, and to determine the premium rates and certify status as a Small Employer. All records of the Policyholder which bear on this Policy must be open to Horizon BCBSNJ for its inspection at any reasonable time.

Horizon BCBSNJ will not have to perform any duty that depends on such data before it is received in a form that satisfies Horizon BCBSNJ. The Policyholder may correct incorrect data given to Horizon BCBSNJ, if Horizon BCBSNJ has not been harmed by acting on it. A person's coverage under this Policy will not be made invalid by failure of the Policyholder, due to clerical error, to record or report the Employee for coverage.

The Policyholder will furnish Horizon BCBSNJ the Employee and Dependents eligibility requirements of this Policy that apply on the Effective Date. Subject to Horizon BCBSNJ's approval, those requirements will apply to the Employee and Dependent coverage under this Policy. The Policyholder will notify Horizon BCBSNJ of any change in the eligibility requirements of this Policy, but no such change will apply to the Employee and Dependent coverage under this Policy unless approved in advance by Horizon BCBSNJ.

The Policyholder will notify Horizon BCBSNJ of any event, including a change in eligibility, that causes termination of a Covered Person's coverage immediately, or in no event later than the last day of the month in which the event occurs. The liability of Horizon BCBSNJ to arrange or provide benefits for a person ceases when the person's coverage ends under this Policy. If the Policyholder fails to notify Horizon BCBSNJ as provided above, Horizon BCBSNJ will be entitled to reimbursement from the Policyholder of any benefits paid to any person after the person's coverage should have ended.

RETROACTIVE TERMINATION OF A COVERED PERSON'S COVERAGE

Horizon BCBSNJ will not retroactively terminate a Covered Person's coverage under this Policy after coverage under this Policy take effect unless the Covered Person performs an act, practice, or omission that constitutes fraud, or unless the Covered Person makes an intentional misrepresentation of material fact. In the event of such fraud or material misrepresentation Horizon BCBSNJ will provide at least 30 days advance written notice to each Covered Person whose coverage will be retroactively terminated.

If a Policyholder continues to pay the full premium for a Covered Person who is no longer eligible to be covered the Policyholder may request a refund of premium as explained in the Premium Refunds provision. If Horizon BCBSNJ refunds premium to the Policyholder the refund will result in the retroactive termination of the Covered Person's coverage. The retroactive termination date will be the end of the period for which premium remains paid. Coverage will be retroactively terminated for the period for which premium is refunded.

RESPONSIBILITIES OF THE POLICYHOLDER:

As used in this provision "SBC" means the Summary of Benefits and Coverage required by federal law.

- a. The Policyholder shall deliver to all Eligible Persons, including Horizon BCBSNJ Covered Persons, the SBC for the group health benefits provided under this Policy, as required by federal law or regulations, in a timely and appropriate manner. The Policyholder shall distribute SBCs under this provision: to all Eligible Persons with any written application materials for enrollment (including open enrollment); to special enrollees; and upon renewal of coverage; and upon request.
- b. The Policyholder shall distribute applicable SBCs, upon request and at any other times, to Eligible Persons who are not currently enrolled with Horizon BCBSNJ.
- c. The Policyholder agrees to certify to Horizon BCBSNJ upon Horizon BCBSNJ's request that the Policyholder has provided the SBC as required under this Policy and by law. The Policyholder agrees to submit information upon Horizon BCBSNJ's request showing that the Policyholder has provided the SBC, as required under this Policy and by law.

RELATION BETWEEN HORIZON BCBSNJ AND THE BLUE CROSS AND BLUE SHIELD ASSOCIATION

The Policyholder, on behalf of itself and its participants, agrees and understands that this Policy is solely between the Policyholder and Horizon BCBSNJ. Horizon BCBSNJ is an independent corporation that operates under a license from the Blue Cross and Blue Shield Corporation, an association of independent Blue Cross and Blue Shield Plans (the "Association"). This permits Horizon BCBSNJ to use the Blue Cross and Blue Shield Service Marks in New Jersey. Horizon BCBSNJ is not an agent of the Association. The Policyholder, on behalf of itself and its participants, further acknowledges and agrees that it has not entered into this Policy based upon any representations by any person other than Horizon BCBSNJ. The Policyholder also acknowledges and agrees that no person, entity or organization other than Horizon BCBSNJ shall be held liable to the Policyholder for any of Horizon BCBSNJ's obligations to the Policyholder. This provision shall not create any additional obligations on the part of Horizon BCBSNJ other than those created under this Policy.

CLAIMS PROVISIONS

A claimant's right to make a claim for any benefits provided by this Policy is governed as follows:

PROOF OF LOSS

Proof of loss must be sent to Horizon BCBSNJ within 90 days of the loss. If a notice or proof is sent later than 90 days of the loss, Horizon BCBSNJ will not deny or reduce a claim if the notice or proof was sent as soon as possible.

PAYMENT OF CLAIMS

Horizon BCBSNJ will pay all benefits to which the claimant is entitled as soon as Horizon BCBSNJ receives written proof of loss. All benefits will be paid as they accrue. Any benefits unpaid at the Covered Person's death will be paid as soon as Horizon BCBSNJ receives due proof of the death to one of the following:

- a) his or her estate;
- b) his or her spouse;
- c) his or her parents;
- d) his or her children;
- e) his or her brothers and sisters; or
- f) any unpaid provider of health care services.

When an Employee files proof of loss, he or she may direct Horizon BCBSNJ, in writing, to pay health care benefits to the recognized provider of health care who provided the covered service for which benefits became payable. For covered services from an eligible Facility or Practitioner, Horizon BCBSNJ will determine to pay either the Covered Person or the Facility or the Practitioner. The Employee may not assign his or her right to take legal action under this Policy to such provider.

PHYSICAL EXAMS

Horizon BCBSNJ, at its expense, has the right to examine the insured. This may be done as often as reasonably needed to process a claim. Horizon BCBSNJ also has the right to have an autopsy performed, at its expense.

DEFINITIONS

The words shown below have special meanings when used in this Policy. Please read these definitions carefully. Throughout this Policy, these defined terms appear with their initial letter capitalized.

Accredited School means a school accredited by a nationally recognized accrediting association, such as one of the following regional accrediting agencies: Middle States Association of Colleges and Schools, New England Association of Schools and Colleges, North Central Association of Colleges and Schools, Northwest Association of Schools and Colleges, Southern Association of Colleges and Schools, or Western Association of Schools and Colleges. An accredited school also includes a proprietary institution approved by an agency responsible for issuing certificates or licenses to graduates of such an institution.

Actively at Work or **Active Work** means performing, doing, participating or similarly functioning in a manner usual for the task for full pay, at the Policyholder's place of business, or at any other place that the Policyholder's business requires the Employee to go.

Affiliated Company means a company as defined in subsections (b), (c), (m) or (o) of section 414 of the Internal Revenue Code of 1986. All entities that meet the criteria set forth in the Internal Revenue Code shall be treated as one employer.

Allowed Charge means an amount that is not more than the lesser of:

- the allowance for the service or supply as determined by Horizon BCBSNJ, based on a standard approved by the Board; or
- the negotiated fee schedule.

The Board will decide a standard for what is an Allowed Charge under this Policy. For charges that are not determined by a negotiated fee schedule, the Covered Person may be billed for the difference between the Allowed Charge and the charge billed by the Provider.

Please note: The Coordination of Benefits and Services provision includes a distinct definition of Allowed Charge.

Ambulance means a certified transportation vehicle for transporting Ill or Injured people that contains all life-saving equipment and staff as required by state and local law.

Ambulatory Surgical Center means a Facility mainly engaged in performing Outpatient Surgery. It must:

- a) be staffed by Practitioners and Nurses, under the supervision of a Practitioner;
- b) have permanent operating and recovery rooms;
- c) be staffed and equipped to give emergency care; and
- d) have written back-up arrangements with a local Hospital for emergency care.

Horizon BCBSNJ will recognize it if it carries out its stated purpose under all relevant state and local laws, and it is either:

- a) accredited for its stated purpose by either the Joint Commission or the Accreditation Association for Ambulatory Care; or
- b) approved for its stated purpose by Medicare.

Horizon BCBSNJ does not recognize a Facility as an Ambulatory Surgical Center if it is part of a Hospital.

Anniversary Date means the date which is one year from the Effective Date of this Policy and each succeeding yearly date thereafter.

Approved Cancer Clinical Trial means a scientific study of a new therapy or intervention for the treatment, palliation, or prevention of cancer in human beings that meets the following requirements:

- a) The treatment or intervention is provided pursuant to an approved cancer clinical trial that has been authorized or approved by one of the following: 1) The National Institutes of Health (Phase I, II and III); (2) the United States Food and Drug Administration, in the form of an investigational new drug (IND) exemption (Phase I, II and III); 3) The United States Department of Defense; or 4) The United States Department of Veteran Affairs.
- b) The proposed therapy has been reviewed and approved by the applicable qualified Institutional Review Board.
- c) The available clinical or pre-clinical data to indicate that the treatment or intervention provided pursuant to the Approved Cancer Clinical Trial will be at least as effective as standard therapy, if such therapy exists, and is expected to constitute an improvement in effectiveness for treatment, prevention and palliation of cancer.
- d) The Facility and personnel providing the treatment are capable of doing so by virtue of their experience and training.
- e) The trial consists of a scientific plan of treatment that includes specified goals, a rationale and background for the plan, criteria for patient selection, specific directions for administering therapy and monitoring patients, a definition of quantitative measures for determining treatment response and methods for documenting and treating adverse reactions. All such trials must have undergone a review for scientific content and validity, as evidenced by approval by one of the federal entities identified in item a. A cost-benefit analysis of clinical trials will be performed when such an evaluation can be included with a reasonable expectation of sound assessment.

Birthing Center means a Facility which mainly provides care and treatment for women during uncomplicated pregnancy, routine full-term delivery, and the immediate post-partum period. It must:

- a) provide full-time Skilled Nursing Care by or under the supervision of Nurses;
- b) be staffed and equipped to give emergency care; and
- c) have written back-up arrangements with a local Hospital for emergency care.

Horizon BCBSNJ will recognize it if:

- a) it carries out its stated purpose under all relevant state and local laws; or
- b) it is approved for its stated purpose by the Accreditation Association for Ambulatory Care; or
- c) it is approved for its stated purpose by Medicare.

Horizon BCBSNJ does not recognize a Facility as a Birthing Center if it is part of a Hospital.

Board means the Board of Directors of the New Jersey Small Employer Health Benefits Program.

Calendar Year means each successive 12 month period which starts on January 1 and ends on December 31.

Cash Deductible means the amount of Covered Charges that a Covered Person must pay before this Policy pays any benefits for such charges. Cash Deductible does not include Coinsurance, Copayments and Non-Covered Charges. See the **Cash Deductible** section of this Policy for details.

Church Plan has the same meaning given that term under Title I, section 3 of Pub.L.93-406, the "Employee Retirement Income Security Act of 1974".

Coinsurance means the percentage of a Covered Charge that must be paid by a Covered Person. Coinsurance does **not** include Cash Deductibles, Copayments or Non-Covered Charges.

Complex Imaging Services means any of the following services:

- a) Computed Tomography (CT),
- b) Computed Tomography Angiography (CTA),
- c) Magnetic Resonance Imaging (MRI),
- d) Magnetic Resonance Angiogram (MRA),
- e) Magnetic Resonance Spectroscopy (MRS),
- f) Positron Emission Tomography (PET),
- g) Nuclear Medicine including Nuclear Cardiology.

Copayment means a specified dollar amount a Covered Person must pay for specified Covered Charges. **Note:** The Emergency Room Copayment, if applicable, must be paid in addition to the Cash Deductible, any other Copayments, and Coinsurance.

Cosmetic Surgery or Procedure means any surgery or procedure which involves physical appearance, but which does not correct or materially improve a physiological function and is not Medically Necessary and Appropriate.

Covered Charges are Allowed charges for the types of services and supplies described in the **Covered Charges** and **Covered Charges with Special Limitations** section of this Policy. The services and supplies must be:

- a) furnished or ordered by a recognized health care Provider; and
- b) Medically Necessary and Appropriate to diagnose or treat an Illness or Injury.

A Covered Charge is incurred on the date the service or supply is furnished. Subject to all of the terms of this Policy, Horizon BCBSNJ pays benefits for Covered Charges incurred by a Covered Person while he or she is insured by this Policy. Read the entire Policy to find out what Horizon BCBSNJ limits or excludes.

Covered Person means an eligible Employee or a Dependent who is insured under this Policy.

Current Procedural Terminology (C.P.T.) means the most recent edition of an annually revised listing published by the American Medical Association which assigns numerical codes to procedures and categories of medical care.

Custodial Care means any service or supply, including room and board, which:

- a) is furnished mainly to help a person meet his or her routine daily needs; or
- b) can be furnished by someone who has no professional health care training or skills.

Even if a Covered Person is in a Hospital or other recognized Facility, Horizon BCBSNJ does not pay for that part of the care which is mainly custodial.

Dependent means an Employee's:

- a) legal spouse which shall include a civil union partner pursuant to P.L. 2006, c. 103 as well as same sex relationships legally recognized in other jurisdictions when such relationships provide substantially all of the rights and benefits of marriage; except that legal spouse shall be limited to spouses of a marriage as marriage is defined in Federal law with respect to:

- the provisions of this Policy regarding continuation rights required by the Federal Consolidated Omnibus Reconciliation Act of 1986 (COBRA), Pub. L. 99-272, as subsequently amended and
- the provisions of this Policy regarding Medicare Eligibility by reason of Age and Medicare Eligibility by Reason of Disability.

b) Dependent child who is under age 26.

Note: If the Policyholder elects to limit coverage to Dependent Children, the term Dependent **excludes** a legal spouse.

Under certain circumstances, an incapacitated child is also a Dependent. See the **Dependent Coverage** section of this Policy.

An Employee's "Dependent child" includes:

- a) his or her legally adopted children,
- b) his or her step-child,
- c) his or her foster child,
- d) the child of his or her civil union partner, and
- e) children under a court appointed guardianship.

Horizon BCBSNJ treats a child as legally adopted from the time the child is placed in the home for purpose of adoption. Horizon BCBSNJ treats such a child this way whether or not a final adoption order is ever issued.

Dependent's Eligibility Date means the later of:

- a) the Employee's Eligibility Date; or
- b) the date the person first becomes a Dependent.

Developmental Disability or Developmentally Disabled means a severe, chronic disability that:

- a) is attributable to a mental or physical impairment or a combination of mental and physical impairments;
- b) is manifested before the Covered Person:
 1. attains age 22 for purposes of the Diagnosis and Treatment of Autism and Other Developmental Disabilities provision; or
 2. attains age 26 for all other provisions;
- c) is likely to continue indefinitely;
- d) results in substantial functional limitations in three or more of the following areas of major life activity: self-care; receptive and expressive language; learning; mobility; self-direction; capacity for independent living; economic self-sufficiency;
- e) reflects the Covered Person's need for a combination and sequence of special interdisciplinary or generic care, treatment or other services which are of lifelong or of extended duration and are individually planned and coordinated. Developmental Disability includes but is not limited to severe disabilities attributable to mental retardation, autism, cerebral palsy, epilepsy, spina-bifida and other neurological impairments where the above criteria are met.

Diagnostic Services means procedures ordered by a recognized Provider because of specific symptoms to diagnose a specific condition or disease. Some examples are:

- a) radiology, ultrasound and nuclear medicine;
- b) laboratory and pathology; and
- c) EKGs, EEGs and other electronic diagnostic tests.

Except as allowed under the Preventive Care Covered Charge, Diagnostic Services are not covered under this Policy if the procedures are ordered as part of a routine or periodic physical examination or screening examination.

Discretion / Determination / Determine means the Horizon BCBSNJ's sole right to make a decision or determination. The decision will be applied in a reasonable and non-discriminatory manner.

Durable Medical Equipment is equipment which is:

- a) designed and able to withstand repeated use;
- b) primarily and customarily used to serve a medical purpose;
- c) generally not useful to a Covered Person in the absence of an Illness or Injury; and
- d) suitable for use in the home.

Some examples are walkers, wheelchairs, hospital-type beds, breathing equipment and apnea monitors as well as hearing aids which are covered through age 15.

Among other things, Durable Medical Equipment does not include adjustments made to vehicles, air conditioners, air purifiers, humidifiers, dehumidifiers, elevators, ramps, stair glides, Emergency Alert equipment, handrails, heat appliances, improvements made to the home or place of business, waterbeds, whirlpool baths and exercise and massage equipment.

Effective Date means the date on which coverage begins under this Policy for the Policyholder, or the date coverage begins under this Policy for an Employee or Dependent, as the context in which the term is used suggests.

Emergency means a medical condition manifesting itself by acute symptoms of sufficient severity including, but not limited to, severe pain, psychiatric disturbances and/or symptoms of Substance Abuse such that a prudent layperson, who possesses an average knowledge of health and medicine, could expect the absence of immediate medical attention to result in: placing the health of the individual (or with respect to a pregnant woman, the health of the woman or her unborn child) in serious jeopardy; serious impairment to bodily functions; or serious dysfunction of a bodily organ or part. With respect to a pregnant woman who is having contractions, an emergency exists where: there is inadequate time to effect a safe transfer to another Hospital before delivery; or the transfer may pose a threat to the health or safety of the woman or unborn child.

Employee means a Full-Time bona fide Employee (25 hours per week) of the Policyholder. Employees who work on a temporary or substitute basis or who are participating in an employee welfare arrangement established pursuant to a collective bargaining agreement are not considered to be Employees for the purpose of this Policy. Pursuant to 26 USC 4980H, partners, proprietors and independent contractors are **not** employees of the Policyholder.

Employee Open Enrollment Period means the 30-day period each year designated by the Policyholder during which:

- a) Employees and Dependents who are eligible under the Policy but who are Late Enrollees may enroll for coverage under the Policy; and
- b) Employees and Dependents who are covered under Policy may elect coverage under a different policy, if any, offered by the Policyholder.

Employee's Eligibility Date means the later of:

- a) the date of employment; or
- b) the day after any applicable waiting period ends

Employer means []

Employer Open Enrollment Period means the period from November 15 through December 15 each year beginning in 2014.

Enrollment Date means, with respect to a Covered Person, the Effective Date or, if earlier, the first day of any applicable waiting period. If an Employee changes plans or if the Employer transfers coverage to another carrier, the Covered Person's Enrollment Date does not change.

Experimental or Investigational means Horizon BCBSNJ determines a service or supply is:

- a) not of proven benefit for the particular diagnosis or treatment of a particular condition; or
- b) not generally recognized by the medical community as effective or appropriate for the particular diagnosis or treatment of a particular condition; or
- c) provided or performed in special settings for research purposes or under a controlled environment or clinical protocol.

Unless otherwise required by law with respect to drugs which have been prescribed for treatment for which the drug has not been approved by the United States Food and Drug Administration (FDA), Horizon BCBSNJ will not cover any services or supplies, including treatment, procedures, drugs, biological products or medical devices or any hospitalizations in connection with Experimental or Investigational services or supplies.

Horizon BCBSNJ will also not cover any technology or any hospitalization primarily to receive such technology if such technology is obsolete or ineffective and is not used generally by the medical community for the particular diagnosis or treatment of a particular condition.

Governmental approval of technology is not necessarily sufficient to render it of proven benefit or appropriate or effective for a particular diagnosis or treatment of a particular condition, as explained below.

Horizon BCBSNJ will apply the following five criteria in determining whether services or supplies are Experimental or Investigational:

a. Any medical device, drug, or biological product must have received final approval to market by the FDA for the particular diagnosis or condition. Any other approval granted as an interim step in the FDA regulatory process, e.g., an Investigational Device Exemption or an Investigational New Drug Exemption, is not sufficient. Once FDA approval has been granted for a particular diagnosis or condition, use of the medical device, drug or biological product for another diagnosis or condition will require that one or more of the following established reference compendia:

1. The American Hospital Formulary Service Drug Information; or
2. The United States Pharmacopeia Drug Information

recognize the usage as appropriate medical treatment. As an alternative to such recognition in one or more of the compendia, the usage of the drug will be recognized as appropriate if it is recommended by a clinical study or recommended by a review article in a major peer reviewed professional journal.

A medical device, drug, or biological product that meets the above tests will not be considered Experimental or Investigational.

In any event, any drug which the Food and Drug Administration has determined to be contraindicated for the specific treatment for which the drug has been prescribed will be considered Experimental or Investigational.

b. Conclusive evidence from the published peer-reviewed medical literature must exist that the technology has a definite positive effect on health outcomes; such evidence must include well designed investigations that have been reproduced by non affiliated authoritative sources, with measurable results, backed up by the positive endorsements of national medical bodies or panels regarding scientific efficacy and rationale;

c. Demonstrated evidence as reflected in the published peer-reviewed medical literature must exist that over time the technology leads to improvement in health outcomes, i.e., the beneficial effects outweigh any harmful effects;

d. Proof as reflected in the published peer-reviewed medical literature must exist that the technology is at least as effective in improving health outcomes as established technology, or is usable in appropriate clinical contexts in which established technology is not employable; and

e. Proof as reflected in the published peer reviewed medical literature must exist that improvements in health outcomes; as defined item c. above, is possible in standard conditions of medical practice, outside clinical investigatory settings.

Extended Care Center means a Facility which mainly provides full-time Skilled Nursing Care for Ill or Injured people who do not need to be in a Hospital. Horizon BCBSNJ will recognize it if it carries out its stated purpose under all relevant state and local laws, and it is either:

- a) accredited for its stated purpose by the Joint Commission; or
- b) approved for its stated purpose by Medicare. In some places, an "Extended Care Center" may be called a "Skilled Nursing Facility."

Facility means a place Horizon BCBSNJ is required by law to recognize which:

- a) is properly licensed, certified, or accredited to provide health care under the laws of the state in which it operates; and
- b) provides health care services which are within the scope of its license, certificate or accreditation.

Full-Time means a normal work week of 25 or more hours. Work must be at the Policyholder's regular place of business or at another place to which an Employee must travel to perform his or her regular duties for his or her full and normal work hours.

Government Hospital means a Hospital operated by a government or any of its subdivisions or agencies, including but not limited to a Federal, military, state, county or city Hospital.

Group Health Plan means an employee welfare benefit plan, as defined in Title I of section 3 of Pub.L.93-406, the "Employee Retirement Income Security Act of 1974" (ERISA) (29 U.S.C. §1002(1)) to the extent that the plan provides medical care and includes items and services paid for as medical care to employees or their dependents directly or through insurance, reimbursement or otherwise.

Health Benefits Plan means any hospital and medical expense insurance policy or certificate; health, hospital, or medical service corporation contract or certificate; or health maintenance organization

subscriber contract or certificate delivered or issued for delivery in New Jersey by any carrier to a Small Employer group pursuant to section 3 of P.L. 1992. c. 162 (C. 17B: 27A-19) or any other similar contract, policy, or plan issued to a Small Employer, not explicitly excluded from the definition of a health benefits plan. Health Benefits Plan does not include one or more, or any combination of the following: coverage only for accident or disability income insurance, or any combination thereof; coverage issued as a supplement to liability insurance; liability insurance, including general liability insurance and automobile liability insurance; workers' compensation or similar insurance; automobile medical payment insurance; credit-only insurance; coverage for on-site medical clinics; and other similar insurance coverage, as specified in federal regulations, under which benefits for medical care are secondary or incidental to other insurance benefits. Health Benefits Plans shall not include the following benefits if they are provided under a separate policy, certificate or contract of insurance or are otherwise not an integral part of the plan: limited scope dental or vision benefits; benefits for long term care, nursing home care, home health care, community based care, or any combination thereof; and such other similar, limited benefits as are specified in federal regulations. Health Benefits Plan shall not include hospital confinement indemnity coverage if the benefits are provided under a separate policy, certificate or contract of insurance, there is no coordination between the provision of the benefits and any exclusion of benefits under any group Health Benefits Plan maintained by the same Plan Sponsor, and those benefits are paid with respect to an event without regard to whether benefits are provided with respect to such an event under any Group Health Plan maintained by the same Plan Sponsor. Health Benefits Plan shall not include the following if it is offered as a separate policy, certificate or contract of insurance: Medicare supplemental health insurance as defined under section 1882(g)(1) of the federal Social Security Act; and coverage supplemental to the coverage provided under chapter 55 of Title 10, United States Code; and similar supplemental coverage provided to coverage under a Group Health Plan.

Health Status-Related Factor means any of the following factors: health status; medical condition, including both physical and mental illness; claims experience; receipt of health care; medical history; genetic information; evidence of insurability, including conditions arising out of acts of domestic violence; and disability.

Home Health Agency means a Provider which provides Skilled Nursing Care for Ill or Injured people in their home under a home health care program designed to eliminate Hospital stays. Horizon BCBSNJ will recognize it if it is licensed by the state in which it operates, or it is certified to participate in Medicare as a Home Health Agency.

Hospice means a Provider which provides palliative and supportive care for terminally Ill or terminally Injured people under a hospice care program. Horizon BCBSNJ will recognize a hospice if it carries out its stated purpose under all relevant state and local laws, and it is either:

- a) approved for its stated purpose by Medicare; or
- b) it is accredited for its stated purpose by either the Joint Commission or the National Hospice Organization.

Hospital means a Facility which mainly provides Inpatient care for Ill or Injured people. Horizon BCBSNJ will recognize it if it carries out its stated purpose under all relevant state and local laws, and it is either:

- a) accredited as a Hospital by the Joint Commission; or
- b) approved as a Hospital by Medicare.

Among other things, a Hospital is not a convalescent home, rest or nursing Facility, or a Facility, or part of it which mainly provides Custodial Care, educational care or rehabilitative care. A Facility for the aged or substance abusers is also not a Hospital.

Illness or Ill means a sickness or disease suffered by a Covered Person or a description of a Covered Person suffering from a sickness or disease. Illness includes Mental Illness.

Initial Dependent means those eligible Dependents an Employee has at the time he or she first becomes eligible for Employee coverage. If at the time the Employee does not have any eligible Dependents, but later acquires them, the first eligible Dependents he or she acquires are his or her Initial Dependents.

Injury or Injured means all damage to a Covered Person's body and all complications arising from that damage, or a description of a Covered Person suffering from such damage.

Inpatient means a Covered Person who is physically confined as a registered bed patient in a Hospital or other recognized health care Facility; or services and supplies provided in such settings.

Joint Commission means the Joint Commission on the Accreditation of Health Care Organizations.

Late Enrollee means an eligible Employee or Dependent who requests enrollment under this Policy more than 30 days after first becoming eligible. However, an eligible Employee or a Dependent will not be considered a Late Enrollee under certain circumstances. See the **Employee Coverage and Dependent Coverage** sections of this Policy.

Legend Drug means any drug which must be labeled "Caution – Federal Law prohibits dispensing without a prescription."

Mail Order Program means a program under which a Covered Person can obtain Prescription Drugs from:

- a) a Participating Mail Order Pharmacy by ordering the drugs through the mail or
- b) a Participating Pharmacy that has agreed to accept the same terms, conditions, price and services as a Participating Mail Order Pharmacy.

Maintenance Drug means only a Prescription Drug used for the treatment of chronic medical conditions.

Medically Necessary and Appropriate means that a service or supply is provided by a recognized health care Provider, and Horizon BCBSNJ determines at its Discretion, that it is:

- a) necessary for the symptoms and diagnosis or treatment of the condition, Illness or Injury;
- b) provided for the diagnosis, or the direct care and treatment, of the condition, Illness or Injury;
- c) in accordance with generally accepted medical practice;
- d) not for the convenience of a Covered Person;
- e) the most appropriate level of medical care the Covered Person needs; and
- f) furnished within the framework of generally accepted methods of medical management currently used in the United States.

The fact that an attending Practitioner prescribes, orders, recommends or approves the care, the level of care, or the length of time care is to be received, does not make the services Medically Necessary and Appropriate.

Medicaid means the health care program for the needy provided by Title XIX of the United States Social Security Act, as amended from time to time.

Medicare means Parts A and B of the health care program for the aged and disabled provided by Title XVIII of the United States Social Security Act, as amended from time to time.

Mental Health Center means a Facility which mainly provides treatment for people with Mental Illness. Horizon BCBSNJ will recognize such a place if it carries out its stated purpose under all relevant state and local laws, and it is either:

- a) accredited for its stated purpose by the Joint Commission;
- b) approved for its stated purpose by Medicare; or
- c) accredited or licensed by the state of New Jersey to provide mental health services.

Mental Illness means a behavioral, psychological or biological dysfunction. Mental illness includes a biologically-based mental illness as well as a mental illness that is not biologically-based. With respect to mental illness that is biologically based, mental illness means a condition that is caused by a biological disorder of the brain and results in a clinically significant or psychological syndrome or pattern that substantially limits the functioning of the person with the illness, including but not limited to: schizophrenia; schizoaffective disorder; major depressive disorder; bipolar disorder; paranoia and other psychotic disorders; obsessive-compulsive disorder; panic disorder and pervasive developmental disorder or autism.

The current edition of the Diagnostic and Statistical Manual of Mental Conditions of the American Psychiatric Association may be consulted to identify conditions that are considered mental illness.

Network Provider means a Provider which has an agreement directly or indirectly with Horizon BCBSNJ to provide covered services or supplies. The Employee will have access to up-to-date lists of Network Providers.

Newly Acquired Dependent means an eligible Dependent an Employee acquires after he or she already has coverage in force for Initial Dependents.

Nicotine Dependence Treatment means "Behavioral Therapy," as defined below, and Prescription Drugs which have been approved by the U.S. Food and Drug Administration for the management of nicotine dependence.

For the purpose of this definition, covered "Behavioral Therapy" means motivation and behavior change techniques which have been demonstrated to be effective in promoting nicotine abstinence and long term recovery from nicotine addiction.

Non-Covered Charges are charges which do not meet this Policy's definition of Covered Charges or which exceed any of the benefit limits shown in this Policy, or which are specifically identified as Non-Covered Charges or are otherwise not covered by this Policy.

Non-Preferred Drug means a drug that has not been designated as a Preferred Drug.

Nurse means a registered nurse or licensed practical nurse, including a nursing specialist such as a nurse mid-wife or nurse anesthetist, who:

- a) is properly licensed or certified to provide medical care under the laws of the state where he or she practices; and
- b) provides medical services which are within the scope of his or her license or certificate.

Orthotic Appliance means a brace or support but does not include fabric and elastic supports, corsets, arch supports, trusses, elastic hose, canes, crutches, cervical collars, dental appliances or other similar

devices carried in stock and sold by drug stores, department stores, corset shops or surgical supply facilities.

Outpatient means a Covered Person who is **not** confined as a registered bed patient in a Hospital or recognized health care Facility and is not an Inpatient; or services and supplies provided in such Outpatient settings.

Participating Mail Order Pharmacy means a licensed and registered pharmacy operated by Prime Therapeutics, LLC or with whom Horizon BCBSNJ has signed a pharmacy service agreement, that is:

- a) equipped to provide Prescription Drugs through the mail; or
- b) is a Participating Pharmacy that is willing to accept the same pharmacy agreement terms, conditions, price and services as exist in the Participating Mail Order Pharmacy agreement.

Participating Pharmacy means a licensed and registered pharmacy operated by Prime Therapeutics, LLC or with whom Horizon BCBSNJ has signed a pharmacy services agreement.

Period of Confinement means consecutive days of Inpatient services provided to an Inpatient or successive Inpatient confinements due to the same or related causes, when discharge and re-admission to a recognized Facility occurs within 90 days or less. Horizon BCBSNJ determines if the cause(s) of the confinements are the same or related.

Plan means the Horizon BCBSNJ's group health benefit plan purchased by the Employer.

Planholder means the Employer who purchased group health benefit plan.

Plan Sponsor has the meaning given that term under Title I, section 3 of Pub.L.93-406, the ERISA (29 U.S.C. §1002(16)(B)). That is:

- a) the Small Employer in the case of an employee benefit plan established or maintained by a single employer;
- b) the employee organization in the case of a plan established or maintained by an employee organization; or
- c) in the case of a plan established or maintained by two or more employers or jointly by one or more employers and one or more employee organizations, the association, committee, joint board of trustees, or other similar group of representatives of the parties who establish or maintain the plan.

Plan Year means the year that is designated as the plan year in the plan document of a Group Health Plan, except if the plan document does not designate a plan year or if there is no plan document, the Plan Year is a Calendar Year.

Policy means this group policy, including the application and any riders, amendments, or endorsements, between the Employer and Horizon BCBSNJ.

Policyholder means the Employer who purchased this Policy.

Practitioner means a person Horizon BCBSNJ is required by law to recognize who:

- a) is properly licensed or certified to provide medical care under the laws of the state where he or she practices; and
- b) provides medical services which are within the scope of his or her license or certificate.

For purposes of Applied Behavior Analysis as included in the Diagnosis and Treatment of Autism and Other Developmental Disabilities provision, Practitioner also means a person who is credentialed by the

national Behavior Analyst Certification Board as either a Board Certified Behavior Analyst – Doctoral or as a Board Certified Behavior Analyst.

Pre-Approval or Pre-Approved means the Horizon BCBSNJ's approval using paper or electronic means for specified services and supplies prior to the date charges are incurred. Horizon BCBSNJ will reduce benefits by 50% with respect to charges for treatment, services and supplies which require Pre-Approval and are not Pre-Approved by Horizon BCBSNJ provided that benefits would otherwise be payable under this Policy.

Preferred Drug means a Prescription Drug that; a) has been designated as such by either Us, or a third party with which Horizon BCBSNJ contracts, as a Preferred Drug; b) is a drug that has been approved under the Federal Food, Drug and Cosmetic Act; and c) is included in the list of Preferred Drugs distributed to Preferred Providers and made available to Covered Persons, upon request.

The list of Preferred Drugs will be revised, as appropriate.

Prescription Drugs are drugs, biologicals and compound prescriptions which are sold only by prescription and which are required to show on the manufacturer's label the words: "Caution-Federal Law Prohibits Dispensing Without a Prescription" or other drugs and devices as determined by Horizon BCBSNJ, such as insulin.

Preventive Care. As used in this Policy preventive care means:

- a. Evidence based items or services that are rated "A" or "B" in the current recommendations of the United States Preventive Services task Force with respect to the Covered Person;
- b. Immunizations for routine use for Covered Persons of all ages as recommended by the Advisory Committee on Immunization Practices of the Centers of Disease Control and Prevention with respect to the Covered Person;
- c. Evidence-informed preventive care and screenings for Covered Person who are infants, children and adolescents, as included in the comprehensive guidelines supported by the Health Resources and Services Administration;
- d. Evidence-informed preventive care and screenings for female Covered Persons as included in the comprehensive guidelines supported by the Health Resources and Services Administration; except for contraceptive services and supplies; and
- e. Any other evidence-based or evidence-informed items as determined by federal and/or state law.

Examples of preventive care include, but are not limited to: routine physical examinations, including related laboratory tests and x-rays, immunizations and vaccines, well baby care, pap smears, mammography, screening tests, bone density tests, colorectal cancer screening, and Nicotine Dependence Treatment.

Private Duty Nursing means Skilled Nursing Care for Covered Persons who require individualized continuous Skilled Nursing Care provided by a registered nurse or a licensed practical nurse.

Prosthetic Appliance means any artificial device that is not surgically implanted that is used to replace a missing limb, appendage or any other external human body part including devices such as artificial limbs, hands, fingers, feet and toes, but excluding dental appliances and largely cosmetic devices such as artificial breasts, eyelashes, wigs and other devices which could not by their use have a significantly detrimental impact upon the musculoskeletal functions of the body.

Provider means a recognized Facility or Practitioner of health care in accordance with the terms of this Policy.

Referral means specific direction or instructions from a Covered Person's Primary Care Physician or care manager in conformance with Horizon BCBSNJ's policies and procedures that directs a Covered Person to a Facility or Practitioner for health care.

Rehabilitation Center means a Facility which mainly provides therapeutic and restorative services to Ill or Injured people. Horizon BCBSNJ will recognize it if it carries out its stated purpose under all relevant state and local laws, and it is either:

- a) accredited for its stated purpose by either the Joint Commission or the Commission on Accreditation for Rehabilitation Facilities; or
- b) approved for its stated purpose by Medicare.

In some places a Rehabilitation Center is called a "rehabilitation hospital."

Routine Foot Care means the cutting, debridement, trimming, reduction, removal or other care of corns, calluses, flat feet, fallen arches, weak feet, chronic foot strain, dystrophic nails, excrescences, helomas, hyperkeratosis, hypertrophic nails, non-infected ingrown nails, deratomas, keratosis, onychiauxis, onychocryptosis tylomas or symptomatic complaints of the feet. Routine Foot Care also includes orthopedic shoes, and supportive devices for the foot.

Routine Nursing Care means the appropriate nursing care customarily furnished by a recognized Facility for the benefit of its Inpatients.

Schedule means the **Schedule of Insurance and Premium Rates** contained in this Policy.

Skilled Nursing Care means services which are more intensive than Custodial Care, are provided by a registered nurse or licensed practical nurse, and require the technical skills and professional training of a registered nurse or licensed practical nurse.

Skilled Nursing Facility (see Extended Care Center.)

Small Employer means:

a) in connection with a Group Health Plan with respect to a Calendar Year and a Plan Year, any person, firm, corporation, partnership, or political subdivision that is actively engaged in business that employed an average of at least one but not more than 50 eligible Employees on business days during the preceding Calendar Year and who employs at least one eligible Employees on the first day of the Plan Year. All persons treated as a single employer under subsection (b), (c), (m) or (o) of section 414 of the Internal Revenue Code of 1986 shall be treated as one employer. In the case of an employer that was not in existence during the preceding Calendar Year, the determination of whether the employer is a small or large employer shall be based on the average number of eligible Employees that it is expected that the employer will employ on business days in the current Calendar Year; OR

b) in connection with a Group Health Plan with respect to a Calendar Year and a Plan year, an employer who employed an average of at least 1 but not more than 50 employees on business days during the preceding calendar year and who employs at least 1 employee on the first day of the Plan Year.

All persons treated as a single employer under subsection (b), (c), (m) or (o) of section 414 of the Internal Revenue Code of 1986 shall be treated as one employer.

In the case of an Employer which was not in existence throughout the preceding Calendar Year, the determination of whether such employer is a small or large employer shall be based on the average

number of employees that it is reasonably expected such Employer will employ on business days in the current Calendar Year.

The following calculation must be used to determine if an employer employs at least 1 but not more than 50 employees. For purposes of this calculation:

- a) Employees working 30 or more hours per week are full-time employees and each full-time Employee counts as 1;
- b) Employees working fewer than 30 hours per week are part-time and counted as the sum of the hours each part-time Employee works per week multiplied by 4 and the product divided by 120 and rounded down to the nearest whole number.

Add the number of full-time Employees to the number that results from the part-time employee calculation. If the sum is at least 1 but not more than 50 the employer employs at least 1 but not more than 50 Employees.

Special Care Unit means a part of a Hospital set up for very ill patients who must be observed constantly. The unit must have a specially trained staff. And it must have special equipment and supplies on hand at all times. Some types of Special Care Units are:

- a) intensive care units;
- b) cardiac care units;
- c) neonatal care units; and
- d) burn units.

Special Enrollment Period means a period of time that is no less than 30 days or 60 days, as applicable, following the date of a Triggering Event during which:

- a) Late Enrollees are permitted to enroll under the Policyholder's Policy; and
- b) Covered Employees and Dependents who already have coverage are permitted to replace current coverage with coverage under a different policy, if any, offered by the Policyholder.

Specialty Pharmaceuticals are oral or injectable drugs that have unique production, administration or distribution requirements. They require specialized patient education prior to use and ongoing patient assistance while under treatment. These Prescription Drugs must be dispensed through specialty pharmaceutical providers.

Examples of Prescription Drugs that are considered Specialty Pharmaceuticals include some orally administered anti-cancer Prescription Drugs and those used to treat the following conditions: Crohn's Disease; Infertility; Hemophilia; Growth Hormone Deficiency; RSV; Cystic Fibrosis; Multiple Sclerosis; Hepatitis C; Rheumatoid Arthritis; and Gaucher's Disease. Horizon BCBSNJ will provide a complete list of Specialty Pharmaceuticals. The list is also available on Horizon BCBSNJ's website.

Substance Abuse means abuse of or addiction to drugs or alcohol.

Substance Abuse Centers are Facilities that mainly provide treatment for people with substance abuse problems. Horizon BCBSNJ will recognize such a place if it carries out its stated purpose under all relevant state and local laws, and it is either:

- a) credited for its stated purpose by the Joint Commission; or
- b) approved for its stated purpose by Medicare.

Supplemental Limited Benefit Insurance means insurance that is provided in addition to a Health Benefits Plan on an indemnity non-expense incurred basis.

Surgery means:

- a) the performance of generally accepted operative and cutting procedures, including surgical diagnostic procedures, specialized instrumentations, endoscopic examinations, and other invasive procedures;
- b) the correction of fractures and dislocations;
- c) reasonable and customary preoperative and post-operative care; or
- d) any of the procedures designated by Current Procedural Terminology codes as Surgery.

Therapeutic Manipulation means the treatment of the articulations of the spine and musculoskeletal structures for the purpose of relieving certain abnormal clinical conditions resulting from the impingement upon associated nerves causing discomfort. Some examples are manipulation or adjustment of the spine, hot or cold packs, electrical muscle stimulation, diathermy, skeletal adjustments, massage, adjunctive, ultra-sound, doppler, whirlpool, hydro therapy or other treatment of similar nature.

Triggering Event means the following dates:

- a) The date an Employee or Dependent loses eligibility for minimum essential coverage including a loss of coverage resulting from the decertification of a qualified health plan by the marketplace. A loss of coverage resulting from nonpayment of premium, fraud or misrepresentation of material fact shall not be a Triggering Event.
- b) The date an Employee acquires a Dependent or becomes a Dependent due to marriage, birth, adoption, placement for adoption, or placement in foster care.
- c) The date an Employee's enrollment or non-enrollment in a qualified health plan is the result of error, misrepresentation or inaction by the federal government.
- d) The date an Employee or eligible Dependent demonstrates to the marketplace that the qualified health plan in which he or she is enrolled substantially violated a material provision of its contract in relation to the enrollee.
- e) The date the Employee or Dependent gains access to new qualified health plans as a result of a permanent move.
- f) The date the Employee or Dependent loses eligibility for Medicaid or NJ FamilyCare.
- g) The date the Employee or Dependent becomes eligible for assistance under a Medicaid or NJ FamilyCare plan.

Total Disability or Totally Disabled means, except as otherwise specified in this Policy, that an Employee who, due to Illness or Injury, cannot perform any duty of his or her occupation or any occupation for which he or she is, or may be, suited by education, training and experience, and is not, in fact, engaged in any occupation for wage or profit. A Dependent is totally disabled if he or she cannot engage in the normal activities of a person in good health and of like age and sex. The Employee or Dependent must be under the regular care of a Practitioner.

Urgent Care means care for a non-life threatening condition that requires care by a Provider within 24 hours.

Waiting Period means, with respect to a Group Health Plan and an individual who is a potential participant or beneficiary in the Group Health Plan, the period that must pass with respect to the individual before the individual is covered for benefits under the terms of the Group Health Plan.

We, Us, Our means Horizon BCBSNJ.

You, Your and Yours mean the Employer.

EMPLOYEE COVERAGE

Eligible Employees

Subject to the **Conditions of Eligibility** set forth below, and to all of the other conditions of this Policy, all of the Policyholder's Employees who are in an eligible class will be eligible if the Employees are Actively at Work Full-Time Employees.

In certain situations, the Actively at Work requirement will not apply. If an Employee is not Actively at Work due to a Health Status-Related Factor, the Employee will nevertheless be considered an Eligible Employee. In addition, refer to the Exception below.

For purposes of this Policy, Horizon BCBSNJ will treat partners, proprietors and independent contractors like Employees if they meet this Policy's **Conditions of Eligibility**.

Conditions of Eligibility

Full-Time Requirement

Except where an Employee is not Actively at Work due to a Health Status-Related Factor, and except as stated below, Horizon BCBSNJ will not insure an Employee unless the Employee is an Actively at Work a Full-Time Employee.

Enrollment Requirement

Horizon BCBSNJ will not insure the Employee until the Employee enrolls and agrees to make the required payments, if any. If the Employee does this within 30 days of the Employee's Eligibility Date, coverage is scheduled to start on the Employee's Eligibility Date.

If the Employee enrolls and agrees to make the required payments, if any:

- a) more than 30 days after the Employee's Eligibility Date; or
- b) after the Employee previously had coverage which ended because the Employee failed to make a required payment.

Horizon BCBSNJ will consider the Employee to be a Late Enrollee. Late enrollees may request enrollment during the Employee Open Enrollment Period. Coverage will take effect on the Policyholder's Policy Anniversary date following enrollment.

Special Enrollment Rules

When an Employee initially waives coverage under this Policy, the Plan Sponsor or Horizon BCBSNJ should notify the Employee of the requirement for the Employee to make a statement that waiver was because he or she was covered under another group plan, if such other coverage was in fact the reason for the waiver, and the consequences of that requirement. If an Employee initially waived coverage under this Policy and the Employee stated at that time that such waiver was because he or she was covered under another group plan, and Employee now elects to enroll under this Policy, Horizon BCBSNJ will not consider the Employee and his or her Dependents to be Late Enrollees, and will assign an effective date consistent with the provisions that follow provided the coverage under the other plan ends due to one of the following events:

- a) termination of employment or eligibility;
- b) reduction in the number of hours of employment;
- c) involuntary termination;
- d) divorce or legal separation or dissolution of the civil union;
- e) death of the Employee's spouse;

- f) termination of the Employer's contribution toward coverage; or
- g) termination of the other plan's coverage.

But, the Employee must enroll under this Policy within 90 days of the date that any of the events described above occur. Coverage will take effect as of the date the applicable event occurs.

If an Employee initially waived coverage under this Policy because he or she had coverage under a Consolidated Omnibus Budget Reconciliation Act (COBRA) continuation provision and the Employee requests coverage under this Policy within 30 days of the date the COBRA continuation ended, Horizon BCBSNJ will not consider the Employee to be a Late Enrollee. Coverage will take effect as of the date the COBRA continuation ended.

In addition, an Employee and any Dependents will not be considered Late Enrollees if the Employee is employed by an employer which offers multiple Health Benefits Plans and the Employee elects a different plan during the open enrollment period.

Further, an Employee and his or her Dependent spouse, if any, will not be considered Late Enrollees because the Employee initially waived coverage under this Policy for himself or herself and any then existing Dependents provided the Employee enrolls to cover himself or herself and his or her existing Dependent spouse, if any, under this Policy within 30 days of the marriage, birth, adoption or placement for adoption of a Newly Acquired Dependent.

If an Employee or any Dependent experiences a Triggering Event the Employee and Dependents may elect to enroll during the Special Enrollment Period that follows the Triggering Event. The election period is generally the 30 day period following the Triggering Event. If the Triggering Event is losing or gaining eligibility for Medicaid or NJ Family Care, the election period is 60 days. If the Triggering Event is marriage, birth, adoption, placement for adoption, or placement in foster care, coverage will take effect as of the date of the marriage, birth, adoption, placement for adoption, or placement in foster care. For all other Triggering Events, coverage will take effect as of the first of the month following receipt of the enrollment form.

The Waiting Period

This Policy has the following Waiting Periods:

Employees in an Eligible Class on the Effective Date, who have completed at least 1 month of continuous Full-Time service with the Policyholder by that date, are covered under this Policy from the Effective Date.

Employees in an Eligible Class on the Effective Date, who have not completed at least 1 month of continuous Full-Time service with the Policyholder by that date, are eligible for coverage under this Policy from the day after Employees complete 1 month of continuous Full-Time service.

Employees who enter an Eligible Class after the Effective Date are eligible for coverage under this Policy from the day after Employees complete 2 month of continuous Full-Time service with the Policyholder.

Any lapse in continuous service due to an absence which results from a Health Status-Related factor will reduce the days of Full-Time service by the number of days of absence. Such lapse in continuous Full-Time service will not require that the period of continuous Full-Time service begin anew.

Multiple Employment

If an Employee works for both the Policyholder and a covered Affiliated Company, or for more than one covered Affiliated Company, Horizon BCBSNJ will treat the Employee as if only one entity employs the Employee. And such an Employee will not have multiple coverage under this Policy. But, if this Policy uses the amount of an Employee's earnings or number of work hours to determine class, or for any other reason, such Employee's earnings or number of work hours will be figured as the sum of his or her earnings or work hours from all Affiliated Companies.

When Employee Coverage Starts

Except where an Employee is not Actively at Work due to a Health Status-Related Factor, and except as stated below, an Employee must be Actively at Work, and working his or her regular number of hours, on the date his or her coverage is scheduled to start. And he or she must have met all the conditions of eligibility which apply to him or her. If an Employee is not Actively at Work on the scheduled Effective Date, and does not qualify for the exception to the Actively at Work requirement, Horizon BCBSNJ will postpone the start of his or her coverage until he or she returns to Active Work.

Sometimes, a scheduled Effective Date is not a regularly scheduled work day. But an Employee's coverage will start on that date if he or she was Actively at Work, and working his or her regular number of hours, on his or her last regularly scheduled work day.

The Employee must elect to enroll and agree to make the required payments, if any, within 30 days of the Employee's Eligibility Date. If he or she does this within 30 days of the Employee's Eligibility Date, his or her coverage is scheduled to start on the Employee's Eligibility Date. Such Employee's Eligibility Date is the Effective Date of an Employee's coverage.

If the Employee does this more than 30 days after the Employee's Eligibility Date, Horizon BCBSNJ will consider the Employee a Late Enrollee. The Employee may request enrollment during the Employee Open Enrollment period. Coverage will take effect on the Policyholder's Anniversary date following enrollment.

EXCEPTION to the Actively at Work Requirement

The Exception applies if the Policyholder who purchased this Policy purchased it to replace a plan the Policyholder had with some other carrier. An Employee who is not Actively at Work due to Total Disability on the date this Policy takes effect will initially be eligible for limited coverage under this Policy if:

- a) the Employee was validly covered under the Policyholder's old plan on the date the Policyholder's old plan ended; and
- b) this Policy takes effect immediately upon termination of the prior plan.

Except as stated below, the coverage under this Policy will be limited to coverage for services or supplies for conditions other than the disabling condition. Such limited coverage under this Policy will end one year from the date the person's coverage under this Policy begins. Coverage for services or supplies for the disabling condition will be provided as stated in an extended health benefits, or like provision, contained in the Policyholder's old plan. Thereafter, coverage will not be limited as described in this provision, but will be subject to the terms and conditions of this Policy.

Exception: If the coverage under this Policy is richer than the coverage under the Policyholder's old plan, this Policy will provide coverage for services and supplies related to the disabling condition. This Policy will coordinate with the Policyholder's old plan, with this Policy providing secondary coverage, as described in the Coordination of Benefits and Services provision

When Employee Coverage Ends

An Employee's insurance under this Policy will end on the first of the following dates:

- a) the date an Employee ceases to be an Actively at Work a Full-Time Employee for any reason. Such reasons include death, retirement, lay-off, leave of absence, and the end of employment.
- b) the date an Employee stops being an eligible Employee under this Policy.
- c) the date this Policy ends, or is discontinued for a class of Employees to which the Employee belongs.
- d) the last day of the period for which required payments are made for the Employee, subject to the **Payment of Premiums - Grace Period section.**

DEPENDENT COVERAGE

Policyholder Election

A Policyholder that elects to make Dependent coverage available under this Policy may choose to make coverage available for all eligible Dependents, as defined below or may choose to make coverage available only for Dependent Children. If the Policyholder limits Dependent coverage to Dependent Children, the term "Dependent" as used in this Policy is limited to Dependent Children.

Eligible Dependents for Dependent Health Benefits

An Employee's eligible Dependents are the Employee's:

- a) legal spouse which shall include a civil union partner pursuant to P.L. 2006, c. 103 as well as same sex relationships legally recognized in other jurisdictions when such relationships provide substantially all of the rights and benefits of marriage; except that legal spouse shall be limited to spouses of a marriage as marriage is defined in Federal law with respect to:
 - the provisions of this Policy regarding continuation rights required by the Federal Consolidated Omnibus Reconciliation Act of 1986 (COBRA), Pub. L. 99-272, as subsequently amended)
 - the provisions of this Policy regarding Medicare Eligibility by reason of Age and Medicare Eligibility by Reason of Disability.
- b) Dependent children who are under age 26.

Note: If the Policyholder elects to limit coverage to Dependent Children, the term Dependent **excludes** a legal spouse.

Under certain circumstances, an incapacitated child is also a Dependent. See the **Incapacitated Children** section of this Policy.

An Employee's "Dependent child" includes:

- a) his or her legally adopted children,
- b) his or her step-child,
- c) his or her foster child,
- d) the child of his or her civil union partner, and
- e) children under a court appointed guardianship.

Horizon BCBSNJ treats a child as legally adopted from the time the child is placed in the home for purpose of adoption. Horizon BCBSNJ treats such a child this way whether or not a final adoption order is ever issued.

Incapacitated Children

An Employee may have an unmarried child with a mental or physical incapacity, or Developmental Disability, who is incapable of earning a living. Subject to all of the terms of this section and this Policy, such a child may stay eligible for Dependent health benefits past this Policy's age limit for eligible Dependents.

The child will stay eligible as long as the child stays unmarried and incapable of earning a living, if:

- a) the child's condition started before he or she reached this Policy's age limit;
- b) the child became insured by this Policy or any other policy before the child reached the age limit and stayed continuously insured after reaching such limit; and
- c) the child depends on the Employee for most of his or her support and maintenance.

But, for the child to stay eligible, the Employee must send Horizon BCBSNJ written proof that the child is incapacitated or Developmentally Disabled and depends on the Employee for most of his or her support and maintenance. The Employee has 31 days from the date the child reaches the age limit to do this. Horizon BCBSNJ can ask for periodic proof that the child's condition continues. But, after two years, Horizon BCBSNJ cannot ask for this more than once a year.

The child's coverage ends when the Employee's coverage ends.

Enrollment Requirement

An Employee must enroll his or her eligible Dependents in order for them to be covered under this Policy. Horizon BCBSNJ considers an eligible Dependent to be a Late Enrollee, if the Employee:

- a) enrolls a Dependent and agrees to make the required payments more than 30 days after the Dependent's Eligibility Date;
- b) in the case of a Newly Acquired Dependent, has other eligible Dependents whose coverage previously ended because the Employee failed to make the required contributions, or otherwise chose to end such coverage.

If the Employee's dependent coverage ends for any reason, including failure to make the required payments, his or her Dependents will be considered Late Enrollees when their coverage begins again.

When an Employee initially waives coverage for a spouse and/or eligible Dependent children under this Policy, the Plan Sponsor or Horizon BCBSNJ should notify the Employee of the requirement for the Employee to make a statement that waiver was because the spouse and/or eligible Dependent children were covered under another group plan, if such other coverage was in fact the reason for the waiver, and the consequences of that requirement. If the Employee previously waived coverage for the Employee's spouse or eligible Dependent children under this Policy and stated at that time that, such waiver was because they were covered under another group plan and the Employee now elects to enroll them in this Policy, the Dependent will not be considered a Late Enrollee, provided the Dependent's coverage under the other plan ends due to one of the following events:

- a) termination of employment or eligibility;
- b) reduction in the number of hours of employment;
- c) involuntary termination;
- d) divorce or legal separation or dissolution of the civil union;
- e) death of the Employee's spouse;
- f) termination of the contribution toward coverage that was being made by the employer that offered the group plan under which the Dependent was covered; or
- g) termination of the other plan's coverage.

But, the Employee's spouse or eligible Dependent children must be enrolled by the Employee within 90 days of the date that any of the events described above occur. Coverage will take effect as of the date the applicable event occurs.

And, Horizon BCBSNJ will not consider an Employee's spouse or eligible Dependent children for which the Employee initially waived coverage under this Policy, to be a Late Enrollee, if:

- a) the Employee is under legal obligation to provide coverage due to a court order; and
- b) the Employee's spouse or eligible Dependent children are enrolled by the Employee within 30 days of the issuance of the court order.

Coverage will take effect as of the date required pursuant to a court order.

In addition, if an Employee initially waived coverage under this Policy for the Employee's spouse or eligible Dependent children because the spouse and/or Dependent children had coverage under a Consolidated Omnibus Budget Reconciliation Act (COBRA) continuation provision and the Employee requests coverage for the spouse and/or Dependent children under this Policy within 30 days of the date the COBRA continuation ended, Horizon BCBSNJ will not consider the spouse and/or Dependent children to be Late Enrollees. Coverage will take effect as of the date the COBRA continuation ended.

When Dependent Coverage Starts

In order for an Employee's dependent coverage to begin the Employee must already be insured for Employee coverage or enroll for Employee and Dependent coverage at the same time. Subject to all of the terms of this Policy, the date an Employee's dependent coverage starts depends on when the Employee elects to enroll the Employee's Initial Dependents and agrees to make any required payments.

If the Employee does this within 30 days of the Dependent's Eligibility Date, the Dependent's Coverage is scheduled to start on the later of:

- a) the Dependent's Eligibility Date, or
- b) the date the Employee becomes insured for Employee coverage.

If the Employee does this more than 30 days after the Dependent's Eligibility Date, Horizon BCBSNJ will consider the Dependent a Late Enrollee. An Employee may elect to cover a Dependent who is a Late Enrollee during the Employee Open Enrollment Period. Coverage will take effect on the Policyholder's Policy Anniversary date following enrollment.

Once an Employee has dependent coverage for Initial Dependents the Employee must notify Horizon BCBSNJ of a Newly Acquired Dependent within 30 days after the Newly Acquired Dependent's Eligibility Date. If the Employee does not, the Newly Acquired Dependent is a Late Enrollee.

A Newly Acquired Dependent other than a newborn child or newly adopted child, including a child placed for adoption, will be covered from the later of:

- a) the date the Employee notifies Horizon BCBSNJ and agrees to make any additional payments, or
- b) the Dependent's Eligibility Date for the Newly Acquired Dependent.

If the Policyholder who purchased this Policy purchased it to replace a plan the Policyholder had with some other carrier, a Dependent who is Totally Disabled on the date this Policy takes effect will initially be eligible for limited coverage under this Policy if:

- a) the Dependent was validly covered under the Policyholder's old plan on the date the Policyholder's old plan ended; and
- b) this Policy takes effect immediately upon termination of the prior plan.

The coverage under this Policy will be limited to coverage for services or supplies for conditions other than the disabling condition. Such limited coverage under this Policy will end one year from the date the person's coverage under this Policy begins. Coverage for services or supplies for the disabling condition will be provided as stated in an extended health benefits, or like provision, contained in the Policyholder's old plan. Thereafter coverage will not be limited as described in this provision, but will be subject to the terms and conditions of this Policy.

Newborn Children

Horizon BCBSNJ will cover an Employee's newborn child for 31 days from the date of birth without additional premium. Health benefits may be continued beyond such 31-day period as stated below:

- a) If the Employee is already covered for Dependent child coverage on the date the child is born, coverage automatically continues beyond the initial 31 days, provided the premium required for

Dependent child coverage continues to be paid..The Employee must notify Horizon BCBSNJ of the birth of the newborn child as soon as possible in order that Horizon BCBSNJ may properly provide benefits under this Policy.

- b) If the Employee is not covered for Dependent child coverage on the date the child is born, the Employee must:
- give written notice to enroll the newborn child; and
 - pay the premium required for Dependent child coverage within 31 days after the date of birth.

If the notice is not given and the premium is not paid within such 31-day period, the newborn child's coverage will end at the end of such 31-day period. If the notice is given and the premium paid after that 31-day period, the child will be a Late Enrollee.

When Dependent Coverage Ends

A Dependent's insurance under this Policy will end on the first of the following dates:

- a) the date Employee coverage ends;
- b) the date the Employee stops being a member of a class of Employees eligible for such coverage;
- c) the date this Policy ends;
- d) the date Dependent coverage is terminated from this Policy for all Employees or for an Employee's class.
- e) the date an Employee fails to pay any required part of the cost of Dependent coverage. It ends on the last day of the period for which the Employee made the required payments, unless coverage ends earlier for other reasons.
- f) at 12:01 a.m. on the date the Dependent stops being an eligible Dependent.

EXCLUSIVE PROVIDER ORGANIZATION (EPO) PROVISIONS

Definitions

- a) **Primary Care Provider (PCP)** means the Practitioner the Covered Person selects to supervise and coordinate his or her health care in the Horizon Managed Care Network Provider Organization. Horizon BCBSNJ will supply the Covered Person with a list of PCPs who are members of the Horizon Managed Care Network Provider Organization. A female Covered Person may visit her OB/GYN without supervision or coordination from the PCP.
- b) **Provider Organization (PO)** means a network of health care Providers located in a Covered Person's Service Area.
- c) **Service Area** means the geographical area which is served by the Practitioners in the Horizon Managed Care Network Provider Organization.

Provider Organization (PO)

The Provider Organization for this Policy is the Horizon Managed Care Network (MCN) Provider Organization. The Covered Person will periodically be given up-to-date lists of Horizon Managed Care Network PO Providers. The up-to-date lists will be furnished automatically, without charge. Except in the case of Urgent Care or a medical Emergency, a Covered person must obtain covered services and supplies from Network PO Providers to receive benefits under this Policy. Services and supplies obtained from Providers that are not Network PO Providers will generally not be covered.

The Primary Care Provider (PCP)

Under this Policy a Covered person does not have to select a PCP, but is encouraged to do so. If selected, the PCP will supervise and coordinate the Covered Person's health care in the Horizon Managed Care Network PO for example, by providing referrals to specialists. Even if a PCP is selected, a Covered person can choose any specialist he or she wants to use. But if a Covered Person goes to a Practitioner other than a selected PCP a higher copayment will generally apply.

A Covered Person who has selected a PCP may change his or her PCP to another PCP once per month. He or she may select another PCP from the list of Practitioners, and notify Horizon Managed Care Network PO by phone or in writing. For a discretionary change, the new PCP selection will take effect no more than 14 days following the date of the request. For a change necessitated by termination of the prior PCP from the Network, the new PCP selection will take effect immediately.

When a Covered Person uses the services of a PCP, he or she must present his or her ID card and pay the Copayment. When a Covered Person's PCP refers him or her to another Horizon Managed Care Network PO Provider, the Covered Person must pay the Copayment to such Provider. Most Horizon Managed Care Network PO Practitioners will prepare any necessary claim forms and submit them to Horizon BCBSNJ.

Emergency Services

In the case of Urgent Care or an Emergency, a Covered Person may go to a Horizon Managed Care Network provider or a non-Horizon Managed Care Network provider. If a Covered Person receives Urgent Care or care and treatment for an Emergency from a non-Horizon Managed Care Network provider, and the Covered Person calls Horizon BCBSNJ within 48 hours, or as soon as reasonably possible, Horizon BCBSNJ will provide benefits for the Urgent Care or Emergency care and treatment to the same extent as would have been provided if care and treatment were provided by a Horizon Managed Care Network provider. However, follow-up care or treatment by a non-Horizon Managed Care Network provider will be treated as Network Benefits only to the extent it is Medically Necessary and

Appropriate care or treatment rendered before the Covered Person can return to the Horizon Managed Care Network service area.

Service Area

The Service Area is the State of New Jersey.

Different providers in Horizon BCBSNJ Network have agreed to be paid in different ways by Horizon BCBSNJ. A Provider may be paid each time he or she treats a Covered Person ("fee for service", or may be paid a set fee for each month for each Covered Person whether or not the Covered Person actually receives services ("capitation"). These payment methods may include financial incentive agreements to pay some providers more ("bonuses") or less ("withholds") based on many factors: Covered Person satisfaction, quality of care, and control of costs and use of services among them. If a Covered Person desires additional information about how Horizon BCBSNJ's primary care physicians or any other Provider in Horizon BCBSNJ's Network are compensated, please call Horizon BCBSNJ at 1-800-355-2583 or write Horizon BCBSNJ, PO Box 1609, Newark, NJ 07101.

The laws of the state of New Jersey, at N.J.S.A. 45:9-22.4 et seq., mandate that a physician, chiropractor or podiatrist who is permitted to make Referrals to other health care Providers in which he or she has a significant financial interest inform his or her patients of any significant financial interest he or she may have in a health care Provider or Facility when making a Referral to that health care Provider or Facility. If a Covered Person wants more information about this, contact the Covered Person's physician, chiropractor or podiatrist. If a Covered Person believes he or she is not receiving the information to which he or she is entitled, contact the Division of Consumer Affairs in the New Jersey Department of Law and Public Safety at (973) 504-6200 OR (800) 242-5846.

APPEALS PROCEDURE

For the purposes of this “Appeals Procedure” section, the following terms used below have these meanings:

Adverse Benefit Determination (ABD): A denial, reduction or termination of, or a failure to make payment (in whole or in part) for, a benefit. This includes such a denial, reduction, termination or failure that is due to: (a) eligibility; (b) a Rescission; (c) a policy exclusion or limitation that is not based on medical judgment or necessity; and/or (d) a decision involving the use of medical judgment.

Adverse Benefit Determination that is benefits based (ABD-Benefits): An ABD decision that: (a) is based on eligibility; (b) involves a Rescission; or (c) involves a policy exclusion or limitation that is not based on medical judgment.

Adverse Benefit Determination involving medical judgment (ABD-Medical): An ABD decision involving the use of medical judgment, e.g., that an item or service is deemed by the plan to be: not Medically Necessary or Appropriate; Experimental or Investigational; a Cosmetic Surgery or Procedure; a dental item or service; or provided for a Pre-Existing Condition and therefore excluded.

Claim: A request by a Covered Person or Provider for payment relating to health care services or supplies.

Final Internal Adverse Benefit Determination: An Adverse Benefit Determination:

- (a) that has been upheld by Horizon BCBSNJ at the completion of the internal review process;
- (b) with respect to which Horizon BCBSNJ has waived its right to conduct an internal review;
- (c) for which Horizon BCBSNJ did not fully comply with internal appeals process requirements within the regulations promulgated by the State of New Jersey; or
- (d) for which the Covered Person or his/her Provider has applied for an expedited external review at the same time as applying for an expedited internal review.

Post-service Claim: Any Claim for a benefit that is not a Pre-service Claim.

Pre-service Claim: Any Claim for a benefit with respect to which the terms of the plan condition receipt of the benefit, in whole or in part, on its approval in advance of obtaining medical care.

Rescission: A cancellation or discontinuance of coverage that has a retroactive effect. This does not include a loss of coverage due to a failure to timely pay: (a) required premiums; or (b) contributions to the cost of the coverage.

Urgent Care Claim: A Claim for medical care or treatment with respect to which application of the time periods for making a non-urgent determination:

- (a) could, in the judgment of a prudent layperson possessing an average knowledge of health and medicine, seriously jeopardize the life or health of the Covered Person, or the ability of the Covered Person to regain maximum function; or

- (b) would, in the opinion of a physician with knowledge of the Covered Person's medical condition, subject him/her to severe pain that cannot be adequately managed without the care or treatment that is the subject of the claim.

Time Frame for Initial ABDs

A Covered Person shall be notified of Horizon BCBSNJ's initial Adverse Benefit Determination as quickly as possible based on the medical circumstances, but in no event later than:

- (a) 72 hours from receipt of an Urgent Care Claim;
- (b) 15 days from receipt of a Pre-service Claim; or
- (c) 30 days from receipt of a Post-service Claim.

Horizon BCBSNJ will provide written notice of the decision within two business days and will include an explanation of the applicable appeals process.

A Covered Person (or a Provider acting for the Covered Person, with the Covered Person's consent) may appeal Horizon BCBSNJ's ABD, as described below. No Covered Person or Provider who files an appeal will be subject to disenrollment, discrimination or penalty by Horizon BCBSNJ.

Appeals Procedure for ABD-Benefits

A Covered Person (or a Provider acting for the Covered Person, with the Covered Person's consent) may appeal an ABD-Benefits. Such an appeal must be filed within 180 days from the date of the ABD.

The appeal process for a ABD-Benefits consists of: (a) an informal internal review by Horizon BCBSNJ; and (b) if the initial decision is upheld, a formal second level internal review by Horizon BCBSNJ.

A Covered Person (or a Provider acting for the Covered Person, with the Covered Person's consent) can appeal an ABD-Benefits by calling or writing Horizon BCBSNJ at the telephone number or address on the Covered Person's ID card. The Covered Person must include the following information:

- 1) the name(s) and address(es) of the Covered Person(s) or Provider(s) involved;
- 2) the Covered Person's ID number;
- 3) the date(s) of service;
- 4) the details regarding the actions in question;
- 5) the nature of and reason behind the appeal;
- 6) the remedy sought; and
- 7) the documentation to support the appeal.

Following the plan's review of the appeal, if the initial ABD-Benefits is upheld, the Covered Person, if still dissatisfied, can file an appeal for a formal second level review that will be decided by Horizon BCBSNJ professionals who were not involved in the prior decisions. All ABD-Benefits denials include a written explanation of the appeals process with instructions on how to proceed to the next level of the appeals process.

The time frames for deciding appeals for ABD-Benefits are as follows:

- (a) For ABD-Benefits involving: an Urgent Care Claim; an Inpatient admission; the availability of medical care; the continuation of an Inpatient Facility stay; or a Claim for medical services for a Covered Person who has received emergency care, but who has not been discharged from a Facility: 72 hours.
- (b) For all other ABD-Benefits: 15 calendar days for Pre-service Claims; 30 calendar days for Post-service Claims. The same time frames apply for the formal second level internal review.

For each level of appeal, Horizon BCBSNJ will provide the Covered Person and/or the Provider with notice of the outcome, and if the ABD-Benefits is upheld, instructions for filing for the next level of review. If the initial ABD-Benefits is upheld through both levels of the internal review process, no further remedies are available from Horizon BCBSNJ. In this event, Horizon BCBSNJ will provide the Covered Person with information regarding the availability of and contact information for the consumer assistance program of the New Jersey Department of Banking and Insurance. The Department's address and phone number appear below in subsection d. of the following section.

Appeals Procedure for ABD-Medical

A Covered Person (or a Provider acting for the Covered Person, with the Covered Person's consent) may appeal an ABD-Medical. The appeal process for Adverse Benefit Determinations involving medical judgment (ABD-Medical) consists of: (a) an informal Stage 1 internal review by Horizon BCBSNJ; (b) a formal Stage 2 internal review by Horizon BCBSNJ; and (c) a formal external review by an Independent Utilization Review Organization (IURO). The initial appeal must be filed within 180 days after Horizon BCBSNJ's initial ABD-Medical.

Any ABD-Medical will be culturally and linguistically appropriate and will include the following timely information:

- 1) Information identifying the claim involved, including: the date of service; the health care Provider; the claim amount (if applicable); and a statement about the availability, upon request, of the diagnosis and treatment codes, and their corresponding meaning.
- 2) The reason(s) for the denial, including: the denial code and its meaning; and a description of the standard used by Horizon BCBSNJ in the denial.
- 3) Information regarding the availability of, and contact information for, the consumer assistance program of the New Jersey Department of Banking and Insurance. (The Department's address and phone number appear below in subsection d.)

Also, Horizon BCBSNJ will timely provide to the Covered Person and/or the Provider acting on his/her behalf, free of charge, any new or additional evidence or rationale, however generated, that Horizon BCBSNJ will rely upon, consider or use in connection with an ABD-Medical.

Except as otherwise provided below, a Covered Person must follow the steps for filing the three levels of appeal. If these steps are not followed, the Covered Person's appeal review may be delayed or forfeited.

a. First Level Appeal - Stage 1

A Covered Person (or a Provider acting for the Covered Person, with the Covered Person's consent) can file a First Level Stage 1 Appeal by calling or writing Horizon BCBSNJ at the telephone number and address on the Covered Person's ID card. At the First Level Appeal, a Covered Person may discuss the ABD-Medical directly with the Horizon BCBSNJ physician who made it, or with the medical director designated by Horizon BCBSNJ.

To submit a First Level Appeal, the Covered Person must include the following information:

- 1) the name(s) and address(es) of the Covered Person(s) or Provider(s) involved;
- 2) the Covered Person's ID number;
- 3) the date(s) of service;
- 4) the details regarding the actions in question;
- 5) the nature of and reason behind the appeal;
- 6) the remedy sought; and
- 7) the documentation to support the appeal.

Horizon BCBSNJ will decide First Level Appeals within 72 hours in the case of an ABD-Medical involving:

- a) an Urgent Care Claim or an Emergency,
- b) an Inpatient admission;
- c) the availability of medical care;
- d) the continuation of an Inpatient Facility stay; or
- e) a Claim for medical services for a Covered Person who has received emergency care, but who has not been discharged from a Facility.

Horizon BCBSNJ will decide all other First Level Stage 1 ABD- Medical Appeals within ten calendar days of receipt of the required documentation. Horizon BCBSNJ will provide the Covered Person and/or the Provider with: (a) written notice of the outcome; (b) the reasons for the decision; and (c) if the initial ABD-Medical is upheld, instructions for filing a Second Level Stage 2 Appeal.

b. Second Level Appeal – Stage 2

If a Covered Person (or a Provider acting for the Covered Person, with the Covered Person's consent) is not satisfied with Horizon BCBSNJ's First Level Appeal decision, the Covered Person or Provider can file for, orally or in writing, a Second Level Stage 2 Appeal of the ABD-Medical to be decided by a panel of physicians and/or other health care professionals selected by Horizon BCBSNJ who were not involved in the original and First Level Appeal decisions. The panel shall have access to consultant Practitioners who are trained or who practice in the same specialty that would typically manage the case at issue being appealed. Upon the Covered Person's or Provider's request, such Consultant Practitioners will participate in the Second Level Stage 2 Appeal.

Horizon BCBSNJ will acknowledge the filing of Second Level Appeals in writing within ten business days of receipt and include instructions regarding the scheduling and how to participate in the Second Level Stage 2 Appeal hearing. Following the hearing, Horizon BCBSNJ will then provide written notice of the final decision on the appeal within 72 hours in the case of an ABD-Medical involving:

- (a) an Urgent Care Claim or an Emergency,
- (b) an Inpatient admission;
- (c) the availability of medical care;
- (d) the continuation of an Inpatient Facility stay; or
- (e) a Claim for medical services for a Covered Person who has received emergency care, but who has not been discharged from a Facility.

Horizon BCBSNJ will decide all other Second Level Stage 2 Appeals of ABD-Medical within 20 business days.

If the Second Level Appeal is denied, Horizon BCBSNJ will provide the Covered Person and/or Provider with written notice of the reasons for the denial, together with a written notice of his/her right to proceed to an external appeal. Horizon BCBSNJ will include: (a) specific instructions as to how the Covered Person and/or Provider may arrange for such an external appeal; and (b) any forms needed to start the appeal.

c. Right to Waive Horizon BCBSNJ's Internal Appeal Procedure

In certain circumstances, a Covered Person (or a Provider acting for the Covered Person, with the Covered Person's consent) may not have to complete Horizon BCBSNJ's internal appeals process with respect to an ABD-Medical, and may proceed directly to the external appeal process described below, if:

- (a) Horizon BCBSNJ does not meet a time frame described above for the First and Second Level Appeals;
- (b) Horizon BCBSNJ waives its right to an internal review; or
- (c) the Covered Person or his/her Provider has applied for an expedited external review at the same time as applying for an expedited internal review.

With respect to (a), above, this right to proceed to the external appeal without completing the internal appeals process will not apply if Horizon BCBSNJ can show that: (a) the violation did not cause, and is not likely to cause, prejudice or harm to the Covered Person and/or Provider; (b) the violation was for a good reason or due to matters beyond Horizon BCBSNJ's control; (c) the violation occurred in the context of an ongoing, good faith exchange of information between Horizon BCBSNJ and the Covered Person and/or Provider; and (d) the violation is not reflective of a pattern or practice of non-compliance by Horizon BCBSNJ.

If Horizon BCBSNJ claims this exception, the Covered Person or his/her Provider may ask for a written explanation of the violation from Horizon BCBSNJ. Horizon BCBSNJ must then provide the explanation within ten calendar days. It must include a description of the basis for the assertion that the violation should not cause the internal process to be waived. Questions regarding this exception shall be decided by an external reviewer.

If it is determined that Horizon BCBSNJ meets the standard for the exception to part (a), the Covered Person and/or his/her Provider may then resubmit and pursue the internal appeal. Horizon BCBSNJ will then, within ten calendar days after that determination, notify the Covered Person and/or his/her

Provider of that right. The time frame for refiling the Claim will start upon the Covered Person's and/or Provider's receipt of the notice.

d. External Appeal

A Covered Person (or a Provider acting for the Covered Person, with the Covered Person's consent) who is dissatisfied with the results of Horizon BCBSNJ's internal appeal process with respect to a ABD-Medical can pursue an external appeal with an IURO assigned by the State of New Jersey Department of Banking and Insurance (the DOBI). Except as otherwise described above under part (c), the Covered Person's right to such an appeal depends on the Covered Person's full compliance with both stages of Horizon BCBSNJ's internal appeal process.

To start an external appeal, the Covered Person or Provider must submit a written request within four months from receipt of Horizon BCBSNJ's Final Internal Adverse Benefit Determination (or within four months from the date of an occurrence described in (a), (b) or (c) under "Right to Waive Horizon BCBSNJ's Internal Appeals Procedure", above).

The Covered Person or Provider must use the required forms and include both: (a) a **\$25.00** check made payable to "New Jersey Department of Banking and Insurance"; and (b) an executed release to enable the IURO to obtain all medical records pertinent to the appeal, to:

**New Jersey Department of Banking and Insurance
Consumer Protection Services
Office of Managed Care
P.O. Box 329
Trenton, New Jersey 08625-0329**

(888) 393-1062

The \$25.00 fee will be refunded to the Covered Person or the Provider if the IURO reverses Horizon BCBSNJ's ABD-Medical decision.

If the Covered Person cannot afford to pay the fee, the fee will be waived if the Covered Person can show proof of financial hardship. Proof of financial hardship can be demonstrated through evidence that one or more members of the household are receiving aid or benefits under: Pharmaceutical Assistance to the Aged and Disabled; Medicaid; General Assistance; Social Security Insurance; NJ FamilyCare; or the New Jersey Unemployment Assistance program. Annual filing fees for any one Covered Person shall not exceed \$75.00.

Upon receipt of the request for the appeal, together with the executed release and the appropriate fee, if any, the DOBI shall immediately assign the appeal to an IURO to conduct a preliminary review and accept it for processing. But this will happen only if the IURO finds that:

1. the person is or was a Covered Person of Horizon BCBSNJ;
2. the service or supply which is the subject of the appeal reasonably appears to be a Covered Service or Supply under the Covered Person's Program; and
3. the Covered Person has furnished all information needed by the IURO and the DOBI to make the preliminary determination. This includes: the appeal form; a copy of any information furnished by Horizon BCBSNJ regarding its Final Adverse Benefit Determination; and the fully executed release.

Upon completion of this review, the IURO will immediately inform the Covered Person or Provider, in writing, as to whether or not the appeal has been accepted for review. If it is not accepted, the IURO will give the reasons.

If the appeal is accepted, the IURO will notify the Covered Person and/or his/her Provider of the right to submit in writing, within five business days, any further information to be considered in the review. The IURO will provide Horizon BCBSNJ with any such information within one business day after its receipt.

The IURO will complete its review and issue its decision in writing within 45 calendar days from its receipt of the request for the review. But that time frame will be reduced to 48 hours if the appeal involves any of the following:

- (a) An Urgent Care Claim or an Emergency
- (b) An Inpatient admission.
- (c) The availability of medical care.
- (d) The continuation of an Inpatient Facility stay.
- (e) A Claim for medical services for a Covered Person who has received emergency care, but who has not been discharged from a Facility.
- (f) A medical condition for which the standard time frame would seriously jeopardize the life or health of the Covered Person or his/her ability to regain normal function.

When the IURO completes its review, it will state its findings in writing and make a determination of whether Horizon BCBSNJ's denial, reduction, or termination of benefits deprived the Covered Person of Medically Necessary and Appropriate treatment. If a decision made within 48 hours was not in writing, the IURO will provide a written confirmation within 48 hours after the verbal decision.

If the IURO determines that the denial, reduction, or termination of benefits deprived the Covered Person of Medically Necessary and Appropriate treatment, this will be conveyed to the Covered Person and/or Provider and Horizon BCBSNJ. The IURO will also describe the Medically Necessary and Appropriate services that should be received. This determination is binding upon Horizon BCBSNJ and the Covered Person, except to the extent that other remedies are available to either party under state or federal law.

If all or part of the IURO's decision is in favor of the Covered Person, Horizon BCBSNJ will provide coverage for those Covered Services and Supplies that are determined to be Medically Necessary and Appropriate. This will be done without delay even if Horizon BCBSNJ intends to seek a judicial review or other remedies.

And within ten business days of its receipt of a decision in favor of the Covered Person, (or sooner, if the medical facts of the case indicate a more rapid response), Horizon BCBSNJ will send a written report to: the IURO; the Covered Person and/or Provider; and the DOBI that describes how Horizon BCBSNJ will implement the IURO's determination.

CONTINUATION OF CARE

Horizon BCBSNJ shall provide written notice to each Covered Person at least 30 business days prior to the termination or withdrawal from Horizon BCBSNJ's Provider network of a Covered Person's PCP and any other Provider from which the Covered Person is currently receiving a course of treatment, as reported to Horizon BCBSNJ. The 30-day prior notice may be waived in cases of immediate termination of a health care professional based on a breach of contract by the health care professional, a determination of fraud, or where Horizon BCBSNJ's medical director is of the opinion that the health care professional is an imminent danger to the patient or the public health, safety or welfare.

Horizon BCBSNJ shall assure continued coverage of covered services at the contract rate by a terminated health care professional for up to four months in cases where it is Medically Necessary and Appropriate for the Covered Person to continue treatment with the terminated health care professional. In case of pregnancy of a Covered Person, coverage of services for the terminated health care professional shall continue to the postpartum evaluation of the Covered Person, up to six weeks after the delivery. With respect to pregnancy, Medical Necessity and Appropriateness shall be deemed to have been demonstrated.

For a Covered Person who is receiving post-operative follow-up care, Horizon BCBSNJ shall continue to cover the services rendered by the health care professional for the duration of the treatment or for up to six months, whichever occurs first.

For a Covered Person who is receiving oncological treatment or psychiatric treatment, Horizon BCBSNJ shall continue to cover services rendered by the health care professional for the duration of the treatment or for up to 12 months, whichever occurs first.

For a Covered Person receiving the above services in an acute care Facility, Horizon BCBSNJ will continue to provide coverage for services rendered by the health care professional regardless of whether the acute care Facility is under contract or agreement with Horizon BCBSNJ.

Services shall be provided to the same extent as provided while the health care professional was employed by or under contract with Horizon BCBSNJ. Reimbursement for services shall be pursuant to the same schedule used to reimburse the health care professional while the health care professional was employed by or under contract with Horizon BCBSNJ.

If a Covered Person is admitted to a health care Facility on the date this Policy is terminated, Horizon BCBSNJ shall continue to provide benefits for the Covered Person until the date the Covered Person is discharged from the facility or exhaustion of the Covered Person's benefits under this Policy, whichever occurs first.

Horizon BCBSNJ shall not continue services in those instances in which the health care professional has been terminated based upon the opinion of Horizon BCBSNJ's medical director that the health care professional is an imminent danger to a patient or to the public health, safety and welfare, a determination of fraud or a breach of contract by a health care professional. The determination of the Medical Necessity and Appropriateness of a Covered Person's continued treatment with a health care professional shall be subject to the appeal procedures set forth in this Policy. Horizon BCBSNJ shall not be liable for any inappropriate treatment provided to a Covered Person by a health care professional who is no longer employed by or under contract with Horizon BCBSNJ.

If Horizon BCBSNJ refers a Covered Person to a Non-Network provider, the service or supply shall be covered as a network service or supply. Horizon BCBSNJ is fully responsible for payment to the

health care professional and the Covered Person's liability shall be limited to any applicable Network Copayment, Coinsurance or Deductible for the service or supply.

HEALTH BENEFITS INSURANCE

This health benefits insurance will pay many of the medical expenses incurred by a Covered Person.

Note: Horizon BCBSNJ payments will be reduced if a Covered Person does not comply with the Utilization Review and Pre-Approval requirements contained in this Policy.

BENEFIT PROVISION

The Schedule lists Copayments, Deductible Amounts, and/or Coinsurance as well as Maximum Out of Pocket Amounts. These terms are explained below.

The Cash Deductible

Each Calendar Year, each Covered Person must have Covered Charges that exceed the Cash Deductible before Horizon BCBSNJ pays any benefits to that person. The Cash Deductible is shown in the Schedule. The Cash Deductible cannot be met with Non-Covered Charges Only Covered Charges incurred by the Covered Person while insured by this Policy can be used to meet this Cash Deductible.

Once the Cash Deductible is met, Horizon BCBSNJ pays benefits for other Covered Charges above the Cash Deductible incurred by that Covered Person, less any applicable Coinsurance or Copayments, for the rest of that Calendar Year. But all charges must be incurred while that Covered Person is insured by this Policy. And what Horizon BCBSNJ pays is based on all the terms of this Policy.

Family Deductible Limit

The Family Deductible is a cumulative Deductible for all family members for each Calendar Year.

Network Maximum Out of Pocket

Network Maximum Out of Pocket means the annual maximum dollar amount that a Covered Person must pay as Copayment, Deductible and Coinsurance for all Network covered services and supplies in a Calendar Year. All amounts paid as Copayment, Deductible and Coinsurance shall count toward the Network Maximum Out of Pocket. Once the Network Maximum Out of Pocket has been reached, the Covered Person has no further obligation to pay any amounts as Copayment, Deductible and Coinsurance for Network covered services and supplies for the remainder of the Calendar Year.

Once any combination of Covered Persons in a family meet an amount equal to two times the individual Maximum Out of Pocket, no Covered Person in that family will be required to pay any amounts as Copayments, Deductible or Coinsurance for covered services and supplies for the remainder of the Calendar Year.

Payment Limits

Horizon BCBSNJ limits what Horizon BCBSNJ will pay for certain types of charges. See the Schedule for these limits.

Benefits From Other Plans

The benefits Horizon BCBSNJ will pay may be affected by a Covered Person's being covered by two or more plans or policies. Read the provision **Coordination of Benefits** to see how this works.

The benefits Horizon BCBSNJ will pay may also be affected by Medicare. Read the **Medicare as Secondary Payor** section for an explanation of how this works.

If This Plan Replaces Another Plan

The Policyholder who purchased this Policy may have purchased it to replace a plan the Policyholder had with some other carrier.

The Covered Person may have incurred charges for covered expenses under the Policyholder's old plan before it ended. If so, these charges will be used to meet this Policy's Cash Deductible if:

- a) the charges were incurred during the Calendar Year in which this Policy starts or during the 90 days preceding the effective date, whichever is the greater period;
- b) this Policy would have paid benefits for the charges if this Policy had been in effect;
- c) the Covered Person was covered by the old plan when it ended and enrolled in this Policy on its Effective Date; and
- d) this Policy takes effect immediately upon termination of the prior plan.

Please note: Although Deductible credit is given, there is no credit for Coinsurance.

The Covered Person may have satisfied part of the eligibility Waiting Period under the Policyholder's old plan before it ended. If so, the time satisfied will be used to satisfy this Policy's eligibility waiting period if:

- a) the Employee was employed by the Policyholder on the date the Policyholder's old plan ended; and
- b) This Policy takes effect immediately upon termination of the prior plan.

Extended Health Benefits

If this Policy ends, and a Covered Person is Totally Disabled on such date, and under a Practitioner's care, Horizon BCBSNJ will extend health benefits for that person under this Policy as explained below. This is done at no cost to the Covered Person.

Horizon BCBSNJ will only extend benefits for Covered Charges due to the disabling condition. The charges must be incurred before the extension ends. And what Horizon BCBSNJ will pay is based on all the terms of this Policy.

Horizon BCBSNJ does not pay for charges due to other conditions. And Horizon BCBSNJ does not pay for charges incurred by other covered family members.

The extension ends on the earliest of:

- a) the date the Total Disability ends;
- b) one year from the date the person's insurance under this Policy ends; or
- c) the date the person has reached the payment limit for his or her disabling condition.

The Employee must submit evidence to Horizon BCBSNJ that he or she or his or her Dependent is Totally Disabled, if Horizon BCBSNJ requests it.

COVERED CHARGES

This section lists the types of charges Horizon BCBSNJ will consider as Covered Charges. But what Horizon BCBSNJ will pay is subject to all the terms of this Policy. Read the entire Policy to find out what Horizon BCBSNJ limits or excludes.

Hospital Charges

Horizon BCBSNJ covers charges for Hospital room and board and Routine Nursing Care when it is provided to a Covered Person by a Hospital on an Inpatient basis. But Horizon BCBSNJ limits what Horizon BCBSNJ pays each day to the room and board limit shown in the Schedule. And Horizon

BCBSNJ covers other Medically Necessary and Appropriate Hospital services and supplies provided to a Covered Person during the Inpatient confinement.

Except as stated below, Horizon BCBSNJ covers charges for Inpatient care for:

- a) a minimum of 72 hours following a modified radical mastectomy; and
- b) a minimum of 48 hours following a simple mastectomy.

Exception: The minimum 72 or 48 hours, as appropriate, of Inpatient care will not be covered if the Covered Person, in consultation with the Practitioner, determines that a shorter length of stay is medically necessary and appropriate.

As an **exception** to the Medically Necessary and Appropriate requirement of this Policy, Horizon BCBSNJ also provides coverage for the mother and newly born child for:

- a) a minimum of 48 hours of Inpatient care in a Hospital following a vaginal delivery; and
- b) a minimum of 96 hours of Inpatient Hospital care following a cesarean section.

Horizon BCBSNJ provides childbirth and newborn care coverage subject to the following:

- a) the attending Practitioner must determine that Inpatient care is medically necessary; or
- b) the mother must request the in-patient care.

As an alternative to the minimum level of Inpatient care described above, the mother may elect to participate in a home care program provided by Horizon BCBSNJ.

If a Covered Person incurs charges as an Inpatient in a Special Care Unit, Horizon BCBSNJ covers the charges up to the daily room and board limit for a Special Care Unit shown in the Schedule.

Horizon BCBSNJ will also cover Outpatient Hospital services, including services provided by a Hospital Outpatient clinic. And Horizon BCBSNJ covers emergency room treatment, subject to this Policy's **Emergency Room Copayment Requirement** section.

Any charges in excess of the Hospital semi-private daily room and board limit are a Non-Covered Charge. This Policy's utilization review features have penalties for non-compliance that may reduce what Horizon BCBSNJ pays for Hospital charges.

Emergency Room Copayment Requirement

Each time a Covered Person uses the services of a Hospital emergency room, he or she must pay the Copayment shown in the Schedule, in addition to the Cash Deductible, any other Copayments, and Coinsurance, if he or she is not admitted within 24 hours.

Emergency and Urgent Care Services

Coverage for Emergency and Urgent Care includes coverage of trauma services at any designated level I or II trauma center as Medically Necessary and Appropriate, which shall be continued at least until, in the judgement of the attending physician, the Covered Person is medically stable, no longer requires critical care, and can be safely transferred to another Facility. Horizon BCBSNJ also provides coverage for a medical screening examination provided upon a Covered Person's arrival in a Hospital, as required to be performed by the Hospital in accordance with Federal law, but only as necessary to determine whether an emergency medical condition exists. Please note that the "911" emergency response system may be used whenever a Covered Person has a potentially life-threatening condition. Information on the use of the "911" system is included on the identification card.

Pre-Admission Testing Charges

Horizon BCBSNJ covers pre-admission x-ray and laboratory tests needed for a planned Hospital admission or Surgery. Horizon BCBSNJ only covers these tests if, the tests are done on an Outpatient basis within seven days of the planned admission or Surgery.

However, Horizon BCBSNJ will not cover tests that are repeated after admission or before Surgery, unless the admission or Surgery is deferred solely due to a change in the Covered Person's health.

Extended Care or Rehabilitation Charges

Subject to Horizon BCBSNJ's Pre-Approval Horizon BCBSNJ covers charges up to the daily room and board limit for room and board and Routine Nursing Care shown in the Schedule, provided to a Covered Person on an Inpatient basis in an Extended Care Center or Rehabilitation Center. Charges above the daily room and board limit are a Non-Covered Charge.

And Horizon BCBSNJ covers all other Medically Necessary and Appropriate services and supplies provided to a Covered Person during the confinement. But the confinement must:

- a) start within 14 days of a Hospital stay; and
- b) be due to the same or a related condition that necessitated the Hospital stay.

Horizon BCBSNJ will reduce benefits by 50% with respect to charges for treatment, services and supplies for Extended Care or Rehabilitation which are not Pre-Approved by Horizon BCBSNJ provided that benefits would otherwise be payable under this Policy.

Home Health Care Charges

Subject to Horizon BCBSNJ's Pre-Approval, when home health care can take the place of Inpatient care, Horizon BCBSNJ covers such care furnished to a Covered Person under a written home health care plan. Horizon BCBSNJ covers all Medically Necessary and Appropriate services or supplies, such as:

- a) Routine Nursing care furnished by or under the supervision of a registered Nurse;
- b) physical therapy;
- c) occupational therapy;
- d) medical social work;
- e) nutrition services;
- f) speech therapy;
- g) home health aide services;
- h) medical appliances and equipment, drugs and medications, laboratory services and special meals to the extent such items and services would have been covered under this Policy if the Covered Person had been in a Hospital; and
- i) any Diagnostic or therapeutic service, including surgical services performed in a Hospital Outpatient department, a Practitioner's office or any other licensed health care Facility, provided such service would have been covered under this Policy if performed as Inpatient Hospital services.

Payment is subject to all of the terms of this Policy and to the following conditions:

- a. The Covered Person's Practitioner must certify that home health care is needed in place of Inpatient care in a recognized Facility. Home health care is covered **only** in situations where continuing hospitalization or confinement in a Skilled Nursing Facility or Rehabilitation Center would otherwise have been required if Home Health Care were not provided.
- b. The services and supplies must be:
 - 1. ordered by the Covered Person's Practitioner;

2. included in the home health care plan: and
3. furnished by, or coordinated by, a Home Health Agency according to the written home health care plan.

The services and supplies must be furnished by recognized health care professionals on a part-time or intermittent basis, except when full-time or 24 hour service is needed on a short-term (no more than three-day) basis.

- c. The home health care plan must be set up in writing by the Covered Person's Practitioner within 14 days after home health care starts. And it must be reviewed by the Covered Person's Practitioner at least once every 60 days.
- d. Horizon BCBSNJ does not pay for:
 1. services furnished to family members, other than the patient; or
 2. services and supplies not included in the home health care plan.

Any visit by a member of a home health care team on any day shall be considered as one home health care visit.

Benefits for Home health Care are provided for no more than 60 visits per Calendar Year.

Horizon BCBSNJ will reduce benefits by 50% with respect to charges for treatment, services and supplies for Home Health Care which are not Pre-Approved by Horizon BCBSNJ provided that benefits would otherwise be payable under this Policy.

Practitioner's Charges for Non-Surgical Care and Treatment

Horizon BCBSNJ covers Practitioner's charges for the Medically Necessary and Appropriate non-surgical care and treatment of an Illness or Injury.

Practitioner's Charges for Surgery

Horizon BCBSNJ covers Practitioner's charges for Medically Necessary and Appropriate Surgery.

Horizon BCBSNJ does not pay for Cosmetic Surgery unless it is required as a result of an Illness or Injury or to correct a functional defect resulting from a congenital abnormality or developmental anomaly.

Horizon BCBSNJ covers reconstructive breast Surgery, Surgery to restore and achieve symmetry between the two breasts and the cost of prostheses following a mastectomy on one breast or both breasts. Horizon BCBSNJ also covers treatment of the physical complications of mastectomy, including lymphedemas.

Second Opinion Charges

Horizon BCBSNJ covers Practitioner's charges for a second opinion and charges for related x-rays and tests when a Covered Person is advised to have Surgery or enter a Hospital. If the second opinion differs from the first, Horizon BCBSNJ covers charges for a third opinion. Horizon BCBSNJ covers such charges if the Practitioners who give the opinions:

- a) are board certified and qualified, by reason of their specialty, to give an opinion on the proposed Surgery or Hospital admission;
- b) are not business associates of the Practitioner who recommended the Surgery; and
- c) in the case of a second surgical opinion, they do not perform the Surgery if it is needed.

Dialysis Center Charges

Horizon BCBSNJ covers charges made by a dialysis center for covered dialysis services.

Ambulatory Surgical Center Charges

Horizon BCBSNJ covers charges made by an Ambulatory Surgical Center in connection with covered Surgery.

Hospice Care Charges

Subject to Horizon BCBSNJ Pre-Approval, Horizon BCBSNJ covers charges made by a Hospice for palliative and supportive care furnished to a terminally Ill or terminally Injured Covered Person under a Hospice care program.

"Palliative and supportive care" means care and support aimed mainly at lessening or controlling pain or symptoms; it makes no attempt to cure the Covered Person's terminal Illness or terminal Injury.

"Terminally Ill" or "terminally Injured" means that the Covered Person's Practitioner has certified in writing that the Covered Person's life expectancy is six months or less.

Hospice care must be furnished according to a written "hospice care program". A "hospice care program" is a coordinated program with an interdisciplinary team for meeting the special needs of the terminally Ill or terminally Injured Covered Person. It must be set up and reviewed periodically by the Covered Person's Practitioner.

Under a Hospice care program, subject to all the terms of this Policy, Horizon BCBSNJ covers any services and supplies including Prescription Drugs, to the extent they are otherwise covered by this Policy. Services and supplies may be furnished on an Inpatient or Outpatient basis.

The services and supplies must be:

- a) needed for palliative and supportive care;
- b) ordered by the Covered Person's Practitioner;
- c) included in the Hospice care program; and
- d) furnished by, or coordinated by a Hospice.

Horizon BCBSNJ does not pay for:

- a) services and supplies provided by volunteers or others who do not regularly charge for their services;
- b) funeral services and arrangements;
- c) legal or financial counseling or services; or
- d) treatment not included in the Hospice care plan.

Horizon BCBSNJ will reduce benefits by 50% with respect to charges for treatment, services and supplies for Hospice Care which are not Pre-Approved by Horizon BCBSNJ provided that benefits would otherwise be payable under this Policy.

Mental Illness or Substance Abuse

Horizon BCBSNJ pays benefits for the Covered Charges a Covered Person incurs for the treatment of Mental Illness or Substance Abuse the same way Horizon BCBSNJ would for any other Illness, if such treatment is prescribed by a Practitioner. But Horizon BCBSNJ does not pay for Custodial Care, education, or training.

Inpatient or day treatment may be furnished by any licensed, certified or State approved facility, including but not limited to:

- a) a Hospital
- b) a detoxification Facility licensed under New Jersey P.L. 1975, Chapter 305;

- c) a licensed, certified or state approved residential treatment Facility under a program which meets the minimum standards of care of the Joint Commission;
- d) a Mental Health Center; or
- e) a Substance Abuse Center.

Pregnancy

This Policy pays for pregnancies the same way Horizon BCBSNJ would cover an illness. The charges Horizon BCBSNJ covers for a newborn child are explained below.

Birthing Center Charges

Horizon BCBSNJ covers Birthing Center charges made by a Practitioner for pre-natal care, delivery, and post partum care in connection with a Covered Person's pregnancy. Horizon BCBSNJ covers charges up to the daily room and board limit for room and board shown in the Schedule when Inpatient care is provided to a Covered Person by a Birthing Center. But charges above the daily room and board limit are a Non-Covered Charge.

Horizon BCBSNJ covers all other Medically Necessary and Appropriate services and supplies during the confinement.

Benefits for a Covered Newborn Child

Horizon BCBSNJ covers charges for the child's routine nursery care while he or she is in the Hospital or a Birthing Center. Charges are covered up to a maximum of 7 days following the date of birth. This includes:

- a) nursery charges;
- b) charges for routine Practitioner's examinations and tests; and
- c) charges for routine procedures, like circumcision.

Subject to all of the terms of this Policy, Horizon BCBSNJ covers the care and treatment of a covered newborn child if he or she is ill, injured, premature, or born with a congenital birth defect.

Anesthetics and Other Services and Supplies

Horizon BCBSNJ covers anesthetics and their administration; hemodialysis, casts; splints; and surgical dressings. Horizon BCBSNJ covers the initial fitting and purchase of braces, trusses, orthopedic footwear and crutches. Horizon BCBSNJ covers Medically Necessary and Appropriate replacements or repairs for braces, trusses, orthopedic footwear and crutches.

Blood

Unless otherwise provided in the **Charges for the Treatment of Hemophilia** section below, Horizon BCBSNJ covers blood, blood products, blood transfusions and the cost of testing and processing blood. But Horizon BCBSNJ does not pay for blood which has been donated or replaced on behalf of the Covered Person.

Charges for the Treatment of Hemophilia

Horizon BCBSNJ covers Medically Necessary and Appropriate home treatment services for bleeding episodes associated with hemophilia including the purchase of blood products and blood infusion equipment.

Horizon BCBSNJ will cover the services of a clinical laboratory at a Hospital with a state-designated outpatient regional care center regardless of whether the Hospital's clinical laboratory is a Network Provider if the Covered Person's Practitioner determines that the Hospital's clinical laboratory is necessary because: a) the results of laboratory tests are medically necessary immediately or sooner

than the normal return time for the Horizon BCBSNJ's network clinical laboratory; or b) accurate test results need to be determined by closely supervised procedures in venipuncture and laboratory techniques in controlled environments that cannot be achieved by Horizon BCBSNJ's network clinical laboratory.

Horizon BCBSNJ will pay the Hospital's clinical laboratory for the laboratory services at the same rate Horizon BCBSNJ would pay a Network clinical laboratory for comparable services.

Ambulance Charges

Horizon BCBSNJ covers Medically Necessary and Appropriate charges for transporting a Covered Person to:

- a) a local Hospital if needed care and treatment can be provided by a local Hospital;
- b) the nearest Hospital where needed care and treatment can be given, if a local Hospital cannot provide such care and treatment. But it must be connected with an Inpatient confinement; or
- c) transporting a Covered Person to another Inpatient health care Facility.

It can be by professional Ambulance service, train or plane. But Horizon BCBSNJ does not pay for chartered air flights. And Horizon BCBSNJ will not pay for other travel or communication expenses of patients, Practitioners, Nurses or family members.

Durable Medical Equipment

Subject to Horizon BCBSNJ's Pre-Approval. Horizon BCBSNJ covers charges for the rental of Durable Medical Equipment needed for therapeutic use. At Horizon BCBSNJ's option, and with Horizon BCBSNJ's Pre-Approval, Horizon BCBSNJ may cover the purchase of such items when it is less costly and more practical than rental. But Horizon BCBSNJ does not pay for:

- a) replacements or repairs; or
- b) the rental or purchase of items such as air conditioners, exercise equipment, saunas and air humidifiers which do not fully meet the definition of Durable Medical Equipment.

Horizon BCBSNJ will reduce benefits by 50% with respect to charges for Durable Medical Equipment which are not Pre-Approved by Horizon BCBSNJ provided that benefits would otherwise be payable under this Policy.

Orthotic or Prosthetic Appliances

We pay benefits for Covered Charges incurred in obtaining an Orthotic Appliance or a Prosthetic Appliance if the Covered Person's Practitioner determines the appliance is medically necessary. The deductible, coinsurance or copayment as applicable to a non-specialist physician visit for treatment of an Illness or Injury will apply to the Orthotic Appliance or Prosthetic Appliance.

The Orthotic Appliance or Prosthetic Appliance may be obtained from any licensed orthotist or prosthetist or any certified pedorthist.

Benefits for the appliances will be provided to the same extent as other Covered Charges under this Policy.

Treatment of Wilm's Tumor

Horizon BCBSNJ pays benefits for Covered Charges incurred for the treatment of Wilm's tumor in a Covered Person. Horizon BCBSNJ treats such charges the same way Horizon BCBSNJ treats Covered Charges for any other Illness. Treatment can include, but is not limited to, autologous bone marrow

transplants when standard chemotherapy treatment is unsuccessful. Horizon BCBSNJ pays benefits for this treatment even if it is deemed Experimental or Investigational. What Horizon BCBSNJ pays is based on all of the terms of this Policy.

Nutritional Counseling

Subject to Horizon BCBSNJ Pre-Approval, Horizon BCBSNJ covers charges for nutritional counseling for the management of disease entities which have a specific diagnostic criteria that can be verified. The nutritional counseling must be prescribed by a Practitioner, and provided by a Practitioner.

Horizon BCBSNJ will reduce benefits by 50% with respect to charges for Nutritional Counseling which are not Pre-Approved by Horizon BCBSNJ provided that benefits would otherwise be payable under this Policy.

Food and Food Products for Inherited Metabolic Diseases

Horizon BCBSNJ covers charges incurred for the therapeutic treatment of inherited metabolic diseases, including the purchase of medical foods (enteral formula) and low protein modified food products as determined to be medically necessary by the Covered Person's Practitioner.

For the purpose of this benefit:

"inherited metabolic disease" means a disease caused by an inherited abnormality of body chemistry for which testing is mandated by law;"

low protein modified food product" means a food product that is specially formulated to have less than one gram of protein per serving and is intended to be used under the direction of a Practitioner for the dietary treatment of an inherited metabolic disease, but does not include a natural food that is naturally low in protein; and

"medical food" means a food that is intended for the dietary treatment of a disease or condition for which nutritional requirements are established by medical evaluation and is formulated to be consumed or administered enterally under the direction of a Practitioner.

Specialized Infant Formulas

Horizon BCBSNJ covers specialized non-standard infant formulas to the same extent and subject to the same terms and conditions as coverage is provided under this Policy for Prescription Drugs. Horizon BCBSNJ covers specialized non-standard infant formulas provided:

- a) The Child's Practitioner has diagnosed the Child as having multiple food protein intolerance and has determined the formula to be medically necessary; and
- b) The Child has not been responsive to trials of standard non-cow milk-based formulas, including soybean and goat milk.

Horizon BCBSNJ may review continued Medical Necessity and Appropriateness of the specialized infant formula.

X-Rays and Laboratory Tests

Horizon BCBSNJ covers x-rays and laboratory tests which are Medically Necessary and Appropriate to treat an Illness or Injury. But, except as covered under this Policy's Preventive Care section, Horizon BCBSNJ does not pay for x-rays and tests done as part of routine physical checkups.

Prescription Drugs

Subject to Horizon BCBSNJ Pre-Approval, for certain Prescription Drugs Horizon BCBSNJ covers drugs to treat an Illness or Injury and contraceptive drugs which require a Practitioner's prescription. Maintenance Drugs may be obtained from a Participating Mail Order Pharmacy. But Horizon BCBSNJ only covers drugs which are:

- a) approved for treatment of the Covered Person's Illness or Injury by the Food and Drug Administration;
- b) approved by the Food and Drug Administration for the treatment of a particular diagnosis or condition other than the Covered Person's and recognized as appropriate medical treatment for the Covered Person's diagnosis or condition in one or more of the following established reference compendia:
 - 1. The American Hospital Formulary Service Drug Information;
 - 2. The United States Pharmacopeia Drug Information; or
- c) recommended by a clinical study or recommended by a review article in a major peer-reviewed professional journal.

Coverage for the above drugs also includes medically necessary services associated with the administration of the drugs.

In no event will Horizon BCBSNJ pay for:

- a) drugs labeled: "Caution - Limited by Federal Law to Investigational Use"; or
- b) any drug which the Food and Drug Administration has determined to be contraindicated for the specific treatment for which the drug has been prescribed, except as stated above.

And Horizon BCBSNJ excludes drugs that can be bought without a prescription, even if a Practitioner orders them.

As explained in the **Orally Administered Anti-Cancer Prescription Drugs** provision below additional benefits for such prescription drugs may be payable.

Horizon BCBSNJ has identified certain Prescription Drugs including Specialty Pharmaceuticals for which Pre-Approval is required. Horizon BCBSNJ will provide the list of Prescription Drugs for which Pre-Approval is required to each Employee prior to enforcing the Pre-Approval requirement. Horizon BCBSNJ will give at least 30 days advance written notice to the Employee before adding a Prescription Drug to the list.

If a Covered Person brings a prescription for a Prescription Drug for which Horizon BCBSNJ requires Pre-Approval to a Pharmacy and Pre-Approval has not yet been secured, the Pharmacy will contact the Practitioner to request that the Practitioner contact Horizon BCBSNJ to secure Pre-Approval. The Pharmacy will dispense a 96-hour supply of the Prescription Drug. Horizon BCBSNJ will review the Pre-Approval request within the time period allowed by law. If Horizon BCBSNJ gives Pre-Approval, Horizon BCBSNJ will notify the Pharmacy and the balance of the Prescription Drug will be dispensed with benefits for the Prescription Drug being paid subject to the terms of this Policy. If Horizon BCBSNJ does not give Pre-Approval, the Covered Person may ask that the Pharmacy dispense the balance of the Prescription Drug, with the Covered Person paying for the Prescription Drug. The Covered Person may submit a claim for the Prescription Drug, subject to the terms of this Policy.

Orally Administered Anti-Cancer Prescription Drugs

As used in this provision, orally administered anti-cancer prescription drugs means Prescription Drugs that are used to slow or kill the growth of cancerous cells and are administered orally. Such anti-cancer Prescription Drugs does not include those that are prescribed to maintain red or white cell counts, those that treat nausea or those that are prescribed to support the anti-cancer prescription drugs. Any such Prescription Drugs are covered under the Prescription Drugs provision of this Policy.

Horizon BCBSNJ covers orally administered anti-cancer prescription drugs that are Medically Necessary and Appropriate as Network Services and Supplies if the Covered Person is receiving care and treatment from a Network Practitioner who writes the prescription for such Prescription Drugs. Horizon BCBSNJ covers orally administered anti-cancer prescription drugs that are Medically Necessary and Appropriate

as Non-Network Services and Supplies if the Covered Person is receiving care and treatment from a Non-Network Practitioner who writes the prescription for such Prescription Drugs.

Anti-cancer prescription drugs are covered subject to the terms of the **Prescription Drugs** provision of this Policy as stated above. The Covered Person must pay the deductible and/or coinsurance required for Prescription Drugs. Using the receipt from the pharmacy, the Covered Person may then submit a claim for the anti-cancer prescription drug under this Orally Administered Anti-Cancer Prescription Drugs provision of this Policy. Upon receipt of such a claim Horizon BCBSNJ will compare the coverage for the orally-administered anti-cancer prescription drugs as covered under the Prescription Drugs provision to the coverage this Policy would have provided if the Covered Person had received intravenously administered or injected anti-cancer medications from the Network Practitioner to determine which is more favorable to the Covered Person in terms of copayment, deductible and/or coinsurance. If this Policy provides different copayment, deductible or coinsurance for different places of service, the comparison shall be to the location for which the copayment deductible and coinsurance is more favorable to the Covered Person. If a Covered Person paid a deductible and/or coinsurance under the Prescription Drug provision that exceeds the copayment, deductible and/or coinsurance that would have applied for intravenously administered or injected anti-cancer medications the Covered Person will be reimbursed for the difference.

If a Covered Person purchases a Brand Name Drug when there is a Generic Prescription Drug alternative, Horizon BCBSNJ will cover the Generic Prescription Drug subject to the applicable cost sharing, whether Deductible, Coinsurance or Copayment. Except as stated below, the Covered Person is responsible for the difference between the cost of the Brand Name Drug and the Generic Prescription Drug. Exception: If the Provider states "Dispense as Written" on the prescription the Covered Person will be responsible for the applicable cost sharing for the Brand Name Prescription Drug.

A Covered Person must pay the appropriate Copayment shown below for each Prescription Drug each time it is dispensed by a Participating Pharmacy or by a Participating Mail Order Pharmacy. The Copayment must be paid before this Policy pays any benefit for the Prescription Drug. The Copayment for each prescription or refill is shown in the Schedule.

After the Copayment is paid, Horizon BCBSNJ will pay the Covered Charge in excess of the Copayment for each Prescription Drug dispensed by a Participating Pharmacy or by a Participating Mail Order Pharmacy while the Covered Person is insured. What Horizon BCBSNJ pays is subject to all the terms of this Policy.

A Covered Person and his or her Practitioner may request that a Non-Preferred Drug be covered subject to the applicable copayment for a Preferred Drug. Horizon BCBSNJ will consider a Non-Preferred Drug to be Medically Necessary and Appropriate if:

- a) It is approved under the Federal Food, Drug and Cosmetic Act; or its use is supported by one or more citations included or approved for inclusion in The American Hospital Formulary Service Drug Information or the United States Pharmacopoeia-Drug Information, or it is recommended by a clinical study or review article in a major peer-reviewed journal; and
- b) The Practitioner states that all Preferred Drugs used to treat the Illness or Injury have been ineffective in the treatment of the Covered Person's Illness or Injury, or that all drugs have caused or are reasonably expected to cause adverse or harmful reactions in the Covered Person.

Horizon BCBSNJ shall respond to the request for approval of a Non-Preferred Drug within one business day and shall provide written confirmation within 5 business days. Denials shall include the clinical reason for the denial. The Covered Person may follow the Appeals Procedure set forth in this

Policy. In addition, the Covered Person may appeal a denial to the Independent Health Care Appeals Program.

This Policy only pays benefits for Prescription Drugs which are:

- a) prescribed by a Practitioner (except for insulin)
- b) dispensed by a Participating Pharmacy or by a Participating Mail Order Pharmacy; and
- c) needed to treat an Illness or Injury covered under this Policy.

Such charges will not include charges made for more than:

- a) a 90-day supply for each prescription or refill where the copayment is calculated based on the multiple of 30-day supplies received;
- b) a 90-day supply of a Maintenance Drug obtained through the Mail Order Program where the copayment is the copayment specified for a 90-day supply; and
- c) the amount usually prescribed by the Covered Person's Practitioner.

A charge will be considered to be incurred at the time the Prescription Drug is received.

Horizon BCBSNJ will arrange for audits that will take place at a time mutually agreeable to the Participating Pharmacy and the Participating Mail Order Pharmacy or the pharmacist and the auditor. The audits shall only include the review of documents relating to persons and prescription plans reimbursable by Horizon BCBSNJ.

AUDIT PROCEDURES

Horizon BCBSNJ will arrange for audits that will take place at a time mutually agreeable to the Participating Pharmacy and the Participating Mail Order Pharmacy or the pharmacist and the auditor. The audits shall only include the review of documents relating to persons and prescription plans reimbursable by Horizon BCBSNJ.

Horizon BCBSNJ will not restrict or prohibit, directly or indirectly, a Participating Pharmacy or a Participating Mail Order Pharmacy from charging the Covered Person for charges that are in addition to charges for the Prescription Drug, for dispensing the Prescription Drug or for prescription counseling provided such other charges have been approved by the New Jersey Board of Pharmacy, and the amount of the charges for the additional services and the purchaser's out-of-pocket cost for those services has been disclosed to the Covered Person prior to dispensing the drug.

Supplies to Administer Prescription Drugs

Horizon BCBSNJ covers Medically Necessary and Appropriate supplies which require a prescription, are prescribed by a Practitioner, and are essential to the administration of the Prescription Drug.

COVERED CHARGES WITH SPECIAL LIMITATIONS

Cancer Clinical Trial

Horizon BCBSNJ covers practitioner fees, laboratory expenses and expenses associated with Hospitalization, administering of treatment and evaluation of the Covered Person during the course of treatment or a condition associated with a complication of the underlying disease or treatment, which are consistent with usual and customary patterns and standards of care incurred whenever a Covered Person receives medical care associated with an Approved Cancer Clinical Trial. Horizon BCBSNJ will cover charges for such items and services only if they would be covered for care and treatment in a situation other than an Approved Cancer Clinical Trial.

Horizon BCBSNJ does not cover the cost of investigational drugs or devices themselves, the cost of any non-health services that might be required for a Covered Person to receive the treatment or intervention, or the costs of managing the research, or any costs which would not be covered under this Policy for treatments that are not Experimental or Investigational.

Clinical Trial

The coverage described in this provision applies to Covered Persons who are eligible to participate in an approved clinical trial, Phase I, II, III and/or IV according to the trial protocol with respect to the treatment of cancer or another life threatening condition. Horizon BCBSNJ provides coverage for the clinical trial if the Covered Person's practitioner is participating in the clinical trial and has concluded that the Covered Person's participation would be appropriate; or the Covered Person provides medical and scientific information establishing that his or her participation in the clinical trial would be appropriate.

Horizon BCBSNJ provides coverage of routine patient costs for items and services furnished in connection with participation in the clinical trial.

Horizon BCBSNJ will not deny a qualified Covered Person participation in an approved clinical trial with respect to the treatment of cancer or another life threatening disease or condition. Horizon BCBSNJ will not deny or limit or impose additional conditions on the coverage of routine patient costs for items and services furnished in connection with participation in the clinical trial. Horizon BCBSNJ will not discriminate against the Covered Person on the basis of the Covered Person's participation in the clinical trial.

Dental Care and Treatment

This Dental Care and Treatment provision applies to all Covered Persons.

Horizon BCBSNJ covers:

- a) the diagnosis and treatment of oral tumors and cysts; and
- b) the surgical removal of bony impacted teeth.

Horizon BCBSNJ also covers treatment of an Injury to natural teeth or the jaw, but only if:

- a) the Injury was not caused, directly or indirectly by biting or chewing; and
- b) all treatment is finished within 6 months of the date of the Injury.

Treatment includes replacing natural teeth lost due to such Injury. But in no event does Horizon BCBSNJ cover orthodontic treatment.

Additional benefits for a Child under age 6

For a Covered Person who is severely disabled or who is a Child under age 6, Horizon BCBSNJ covers:

- a) general anesthesia and Hospitalization for dental services; and
- b) dental services rendered by a dentist regardless of where the dental services are provided for a medical condition covered by this Policy which requires Hospitalization or general anesthesia.

Treatment for Temporomandibular Joint Disorder (TMJ)

Horizon BCBSNJ covers charges for the Medically Necessary and Appropriate surgical and non-surgical treatment of TMJ in a Covered Person. However, with respect to coverage of TMJ Horizon BCBSNJ does not cover any charges for orthodontia, crowns or bridgework.

Mammogram Charges

Horizon BCBSNJ covers charges made for mammograms provided to a female Covered Person according to the schedule given below. Benefits will be paid, subject to all the terms of this Policy, and the following limitations:

Horizon BCBSNJ will cover charges for:

- a) one baseline mammogram for a female Covered Person, age 35-39
- b) one mammogram, every year, for a female Covered Person age 40 and older.

Please note that mammograms are included under the Preventive Care provision.

Colorectal Cancer Screening Charges

Horizon BCBSNJ covers charges made for colorectal cancer screening provided to a Covered Person age 50 or over and to younger Covered Persons who are considered to be high risk for colorectal cancer. Benefits will be paid, subject to all the terms of this Policy, and the following limitations:

Subject to the American Cancer Society guidelines, and medical necessity as determined by the Covered Person's Practitioner in consultation with the Covered Person regarding methods to use, Horizon BCBSNJ will cover charges for:

- a) Annual gFOBT (guaiac-based fecal occult blood test) with high test sensitivity for cancer;
- b) Annual FIT (immunochemical-based fecal occult blood test) with high test sensitivity for cancer;
- c) Stool DNA (sDNA) test with high sensitivity for cancer
- d) flexible sigmoidoscopy,
- e) colonoscopy;
- f) contrast barium enema;
- g) Computed Tomography (CT) Colonography
- h) any combination of the services listed in items a – g above; or
- i) any updated colorectal screening examinations and laboratory tests recommended in the American Cancer Society guidelines.

Horizon BCBSNJ will cover the above methods at the frequency recommended by the most recent published guidelines of the American Cancer Society and as determined to be medically necessary by the Covered Person's practitioner in consultation with the Covered Person.

High risk for colorectal cancer means a Covered Person has:

- a) A family history of: familial adenomatous polyposis, hereditary non-polyposis colon cancer; or breast, ovarian, endometrial or colon cancer or polyps;
- b) Chronic inflammatory bowel disease; or
- c) A background, ethnicity or lifestyle that the practitioner believes puts the person at elevated risk for colorectal cancer.

Please note that since colorectal cancer screening is included under the Preventive Care provision.

Private Duty Nursing Care

Horizon BCBSNJ **only** covers charges by a Nurse for Medically Necessary and Appropriate private duty nursing care if such care is authorized as part of a written home health care plan, coordinated by a Home Health Agency, and covered under the **Home Health Care Charges** section. Any other charges for private duty nursing care are a Non-Covered Charge.

Therapy Services

Therapy Services mean services or supplies, ordered by a Practitioner and used to treat, or promote recovery from, an Injury or Illness:

Subject to the stated limits, Horizon BCBSNJ covers the Therapy Services listed below when such services are provided to a Covered Person as an Outpatient. Horizon BCBSNJ covers other types of Therapy Services provided they are performed by a licensed Provider, are Medically Necessary and Appropriate and are not Experimental or Investigational.

- a. *Chelation Therapy* - the administration of drugs or chemicals to remove toxic concentrations of metals from the body.
- b. *Chemotherapy* - the treatment of malignant disease by chemical or biological antineoplastic agents.
- c. *Dialysis Treatment* - the treatment of an acute renal failure or a chronic irreversible renal insufficiency by removing waste products from the body. This includes hemodialysis and peritoneal dialysis.
- d. *Radiation Therapy* - the treatment of disease by x-ray, radium, cobalt, or high energy particle sources. Radiation therapy includes rental or cost of radioactive materials. Diagnostic Services requiring the use of radioactive materials are not radiation therapy.
- e. *Respiration Therapy* - the introduction of dry or moist gases into the lungs.

Horizon BCBSNJ covers the Therapy Services listed below, subject to stated limitations:

- f. *Cognitive Rehabilitation Therapy* - the retraining of the brain to perform intellectual skills which it was able to perform prior to disease, trauma, Surgery, or previous therapeutic process; or the training of the brain to perform intellectual skills it should have been able to perform if there were not a congenital anomaly.
- g. *Speech Therapy* except as stated below, treatment for the correction of a speech impairment resulting from Illness, Surgery, Injury, congenital anomaly, or previous therapeutic processes. Exception: For a Covered Person who has been diagnosed with a biologically-based mental illness, speech therapy means treatment of a speech impairment.

Coverage for Cognitive Rehabilitation Therapy and Speech Therapy, **combined**, is limited to 30 visits per Calendar Year.

- h. *Occupational Therapy* - except as stated below, treatment to restore a physically disabled person's ability to perform the ordinary tasks of daily living. Exception: For a Covered Person who has been diagnosed with a biologically-based mental illness, occupational therapy means treatment to develop a Covered Person's ability to perform the ordinary tasks of daily living.
- i. *Physical Therapy* - except as stated below, the treatment by physical means to relieve pain, restore maximum function, and prevent disability following disease, Injury or loss of limb. Exception: For a Covered Person who has been diagnosed with a biologically-based mental illness, physical therapy means treatment to develop a Covered Person's physical function.

Coverage for Occupational Therapy and Physical Therapy, **combined**, is limited to 30 visits per Calendar Year.

- j. **Infusion Therapy - subject to Horizon BCBSNJ Pre-Approval, the administration of antibiotic, nutrients, or other therapeutic agents by direct infusion. Horizon BCBSNJ will reduce benefits by 50% with respect to charges for Infusion Therapy which are not Pre-Approved by Horizon BCBSNJ provided that benefits would otherwise be payable under this Policy.**

Note: The limitations on Therapy Services contained in this Therapy Services provision do not apply to any therapy services that are received under the Home Health Care provision, to services provided while a Covered Person is confined in a Facility or to therapy services received under the Diagnosis and Treatment of Autism or Other Developmental Disabilities provision.

Diagnosis and Treatment of Autism and Other Developmental Disabilities

Horizon BCBSNJ provides coverage for charges for the screening and diagnosis of autism and other developmental disabilities.

If a Covered Person's primary diagnosis is autism or another developmental disability Horizon BCBSNJ provides coverage for the following medically necessary therapies as prescribed through a treatment plan. These are habilitative services in that they are provided to develop rather than restore a function. The therapy services are subject to the benefit limits set forth below:

- a) occupational therapy where occupational therapy refers to treatment to develop a Covered Person's ability to perform the ordinary tasks of daily living;
- b) physical therapy where physical therapy refers to treatment to develop a Covered Person's physical function; and
- c) speech therapy where speech therapy refers to treatment of a Covered Person's speech impairment.

Coverage for occupational therapy and physical therapy combined is limited to 30 visits per Calendar Year. Coverage for speech therapy is limited to 30 visits per Calendar Year. These therapy services are covered whether or not the therapies are restorative. The therapy services covered under this provision do not reduce the available therapy visits available under the Therapy Services provision.

If a Covered Person's primary diagnosis is autism, and the Covered Person is under 21 years of age, in addition to coverage for the therapy services as described above, Horizon BCBSNJ also cover medically necessary behavioral interventions based on the principles of applied behavior analysis and related structured behavioral programs as prescribed through a treatment plan.

The treatment plan(s) referred to above must be in writing, signed by the treating physician, and must include: a diagnosis, proposed treatment by type, frequency and duration; the anticipated outcomes stated as goals; and the frequency by which the treatment plan will be updated. Horizon BCBSNJ may request additional information if necessary to determine the coverage under this Policy. Horizon BCBSNJ may require the submission of an updated treatment plan once every six months unless Horizon BCBSNJ and the treating physician agree to more frequent updates

If a Covered Person:

- a) is eligible for early intervention services through the New Jersey Early Intervention System; and
- b) has been diagnosed with autism or other developmental disability; and
- c) receives physical therapy, occupational therapy, speech therapy, applied behavior analysis or related structured behavior services

the portion of the family cost share attributable to such services is a Covered Charge under this Policy. The deductible, coinsurance or copayment as applicable to a non-specialist physician visit for treatment of an Illness or Injury will apply to the family cost share.

The therapy services a Covered Person receives through New Jersey Early Intervention do not reduce the therapy services otherwise available under this Diagnosis and Treatment of Autism and Other Disabilities provision.

Fertility Services

Subject to Horizon BCBSNJ Pre-Approval Horizon BCBSNJ covers charges for procedures and Prescription Drugs to enhance fertility, except where specifically excluded in this Policy. Horizon BCBSNJ covers charges for: artificial insemination; and standard dosages, lengths of treatment and cycles of therapy of Prescription Drugs used to stimulate ovulation for artificial insemination or for

unassisted conception. The Prescription Drugs noted in this section are subject to the terms and conditions of the Prescription Drugs section of this Policy.

Horizon BCBSNJ will reduce benefits by 50% with respect to charges for Fertility Services which are not Pre-Approved by Horizon BCBSNJ provided that benefits would otherwise be payable under this Policy.

Preventive Care

Horizon BCBSNJ covers charges for routine physical examinations including related laboratory tests and x-rays. Horizon BCBSNJ also covers charges for immunizations and vaccines, well baby care, pap smears, mammography, screening tests, bone density testing, colorectal cancer screening, and Nicotine Dependence Treatment.

These charges are not subject to any Copayment, Cash Deductible or Coinsurance

Immunizations and Lead Screening

Horizon BCBSNJ will cover charges for:

- a) screening by blood measurement for lead poisoning for children, including confirmatory blood lead testing and medical evaluation as specified by the New Jersey Department of Health and Senior Services and any necessary medical follow-up and treatment for lead poisoned children; and
- b) all childhood immunizations as recommended by the Advisory Committee on Immunization Practices of the United States Public Health Services and New Jersey Department of Health and Senior Services.

Hearing Aids

Horizon BCBSNJ covers charges for medically necessary services incurred in the purchase of a hearing aid for a Covered Person age 15 or younger. Coverage includes the purchase of one hearing aid for each hearing-impaired ear every 24 months. Coverage for all other medically necessary services incurred in the purchase of a hearing aid is unlimited. Such medically necessary services include fittings, examinations, hearing tests, dispensing fees, modifications and repairs, ear molds and headbands for bone-anchored hearing implants. The hearing aid must be recommended or prescribed by a licensed physician or audiologist.

The Deductible, Coinsurance or Copayment applicable to Durable Medical Equipment will apply to the purchase of hearing aid. The Deductible, Coinsurance or Copayment as applicable to a non-specialist physician visit for treatment of an Illness or Injury will apply to the medically necessary services incurred in the purchase of a hearing aid.

Newborn Hearing Screening

Horizon BCBSNJ covers charges up to a maximum of 28 days following the date of birth for screening for newborn hearing loss by appropriate electrophysiologic screening measures. In addition, Horizon BCBSNJ covers charges between age 29 days and 36 months for the periodic monitoring of infants for delayed onset hearing loss.

Vision Benefit

Subject to the applicable Deductible, Coinsurance or Copayments shown on the Schedule of Services and Supplies, Horizon BCBSNJ covers the vision benefits described in this provision for Covered Persons through age 18. Horizon BCBSNJ covers one comprehensive eye examination by a Network ophthalmologist or optometrist in a 12 month period. We cover one pair of lenses, for glasses or contact lenses, in a 12 month period. We cover one pair of frames in a 12 month period. Standard

frames refers to frames that are not designer frames such as Coach, Burberry, Prada and other designers.

Vision Screening

Horizon BCBSNJ covers vision screening for Dependent children, through age 17, to determine the need for vision correction. The vision screening is generally performed by the pediatrician during the course of a routine physical examination. The vision screening may suggest that the Covered Person should undergo a vision examination. Such vision examination is not covered under this Policy.

Therapeutic Manipulation

Horizon BCBSNJ limits what Horizon BCBSNJ covers for therapeutic manipulation to 30 visits per Calendar Year. And Horizon BCBSNJ covers no more than two modalities per visit. Charges for such treatment above these limits are a Non-Covered Charge.

Transplant Benefits

Horizon BCBSNJ covers Medically Necessary and Appropriate services and supplies for the following types of transplants:

- a) Cornea
- b) Kidney
- c) Lung
- d) Liver
- e) Heart
- f) Pancreas
- g) Intestine
- h) Allogeneic Bone Marrow
- i) Autologous Bone Marrow transplant and Associated Dose-Intensive Chemotherapy, but only if performed by institutions approved by the National Cancer Institute, or pursuant to protocols consistent with the guidelines of the American Society of Clinical Oncologists;
- j) Peripheral Blood Stem Cell transplants, but only if performed by institutions approved by the National Cancer Institute, or pursuant to protocols consistent with the guidelines of the American Society of Clinical Oncologists.

If the donor does not have health coverage that would cover the costs associated with his or her role as donor, this Policy will cover the donor's medical costs associated with the donation. Horizon BCBSNJ does not cover costs for travel, accommodations or comfort items.

IMPORTANT NOTICE

This Policy has utilization review features. Under these features, Horizon BCBSNJ, a health care review organization reviews Hospital admissions and Surgery performed outside of a Practitioner's office for Carrier. These features must be complied with if a Covered Person:

- a) is admitted as an Inpatient to a Hospital, or
- b) is advised to enter a Hospital or have Surgery performed outside of a Practitioner's office. If a Covered Person does not comply with these utilization review features, he or she will not be eligible for full benefits under this Policy. See the **Utilization Review Features** section for details.

This Policy has Specialty Case Management. Under this provision, a Case Coordinator reviews a Covered Person's medical needs in clinical situations with the potential for catastrophic claims to determine whether case management may be available and appropriate. See the **Specialty Case Management** section for details.

This Policy has centers of excellence features. Under these features, a Covered Person may obtain necessary care and treatment from Providers with whom Horizon BCBSNJ has entered into agreements. See the **Centers of Excellence Features** section for details.

What Horizon BCBSNJ pays is subject to all of the terms of this Policy. Read this Policy carefully and keep it available when consulting a Practitioner.

If an Employee has any questions after reading this Policy he or she should call The Group Claim Office at the number shown on his or her identification card.

This Policy is not responsible for medical or other results arising directly or indirectly from the Covered Person's participation in these Utilization Review, Specialty Case Management or Centers of Excellence Features.

UTILIZATION REVIEW FEATURES

Important Notice: If a Covered Person does not comply with this Policy's utilization review features, he or she will not be eligible for full benefits under this Policy.

Compliance with this Policy's utilization review features does not guarantee what Horizon BCBSNJ will pay for Covered Charges. What Horizon BCBSNJ pays is based on:

- a) the Covered Charges actually incurred;
- b) the Covered Person being eligible for coverage under this Policy at the time the Covered Charges are incurred; and
- c) the Cash Deductible, Copayment and Coinsurance provisions, and all of the other terms of this Policy.

Definitions

"Hospital admission" means admission of a Covered Person to a Hospital as an Inpatient for Medically Necessary and Appropriate care and treatment of an Illness or Injury.

By "covered professional charges for Surgery" Horizon BCBSNJ means Covered Charges that are made by a Practitioner for performing Surgery. Any surgical charge which is not a Covered Charge under the terms of this Policy is not payable under this Policy.

"Regular working day" means Monday through Friday from 9 am. to 5 pm. Eastern Time, not including legal holidays.

Grievance Procedure

Please refer to **Appeals Procedure** Section

REQUIRED HOSPITAL STAY REVIEW

Important Notice: If a Covered Person does not comply with these Hospital stay review features, he or she will not be eligible for full benefits under this Policy.

Notice of Hospital Admission Required

Horizon BCBSNJ requires notice of all Hospital admissions. The times and manner in which the notice must be given is described below. When a Covered Person does not comply with the requirements of this section Horizon BCBSNJ reduces what it pays for covered Hospital charges as a penalty.

Pre-Hospital Review

All non-Emergency Hospital admissions must be reviewed by Horizon BCBSNJ before they occur. The Covered Person or the Covered Person's Practitioner must notify Horizon BCBSNJ and request a pre-hospital review. Horizon BCBSNJ must receive the notice and request as soon as possible before the admission is scheduled to occur. For a maternity admission, a Covered Person or his or her Practitioner must notify Horizon BCBSNJ and request a pre-hospital review at least 60 days before the expected date of delivery, or as soon as reasonably possible.

When Horizon BCBSNJ receives the notice and request, We evaluate:

- a) the Medical Necessity and Appropriateness of the Hospital admission
- b) the anticipated length of stay and
- c) the appropriateness of health care alternatives, like home health care or other out-patient care.

Horizon BCBSNJ notifies the Covered Person's Practitioner by phone, of the outcome of our review. And we confirm the outcome of our review in writing.

If Horizon BCBSNJ authorizes a Hospital admission, the authorization is valid for:

- a) the specified Hospital;
- b) the named attending Practitioner; and
- c) the authorized length of stay.

The authorization becomes invalid and the Covered Person's admission must be reviewed by Horizon BCBSNJ again if:

- a) he or she enters a Facility other than the specified Facility
- b) he or she changes attending Practitioners; or
- c) more than 60 days elapse between the time he or she obtains authorization and the time he or she enters the Hospital, except in the case of a maternity admission.

Emergency Admission

Horizon BCBSNJ must be notified of all Emergency admissions by phone. This must be done by the Covered Person or the Covered Person's Practitioner no later than the end of the next regular working day or as soon as possible after the admission occurs.

When Horizon BCBSNJ is notified by phone, they require the following information:

- a) the Covered Person's name, social security number and date of birth;

- b) the Covered Person group plan number;
- c) the reason for the admission
- d) the name and location of the Hospital
- e) when the admission occurred; and
- f) the name of the Covered Person's Practitioner.

Continued Stay Review

The Covered Person or his or her Practitioner, must request a continued stay review for any Emergency admission. This must be done at the time Horizon BCBSNJ is notified of such admission.

The Covered Person, or his or her Practitioner, must also initiate a continued stay review whenever it is Medically Necessary and Appropriate to change the authorized length of a Hospital stay. This must be done before the end of the previously authorized length of stay.

Horizon BCBSNJ also has the right to initiate a continued stay review of any Hospital admission. And Horizon BCBSNJ may contact the Covered Person's Practitioner or Hospital by phone or in writing.

In the case of an Emergency admission, the continued stay review evaluates:

- a) the Medical Necessity and Appropriateness of the Hospital admission;
- b) the anticipated length of stay; and
- c) the appropriateness of health care alternatives.

In all other cases, the continued stay review evaluates:

- a) the Medical Necessity and Appropriateness of extending the authorized length of stay; and the
- b) appropriateness of health care alternatives.

Horizon BCBSNJ notifies the Covered Person's Practitioner by phone, of the outcome of the review. And Horizon BCBSNJ confirms the outcome of the review in writing. The notice always includes any newly authorized length of stay.

Penalties for Non-Compliance

In the case of a non-Emergency Hospital admission, as a penalty for non-compliance. Horizon BCBSNJ reduces what it pays for covered Hospital charges, **by 50%** if:

- a) the Covered Person does not request a pre-hospital review; or
- b) the Covered Person does not request a pre-hospital review as soon as reasonably possible before the Hospital admission is scheduled to occur; or
- c) Horizon BCBSNJ authorization becomes invalid and the Covered Person does not obtain a new one; or
- d) Horizon BCBSNJ does not authorize the Hospital admission.

In the case of an Emergency admission, as a penalty for non-compliance, Horizon BCBSNJ reduces what it pays for covered Hospital charges by 50%, if:

- a) Horizon BCBSNJ is not notified of the admission at the times and in the manner described above;
- b) the Covered Person does not request a continued stay review; or
- c) the Covered Person does not receive authorization for such continued stay.

The penalty applies to covered Hospital charges incurred after the applicable time limit allowed for giving notice ends.

For any Hospital admission, if a Covered Person stays in the Hospital longer than Horizon BCBSNJ authorizes, Horizon BCBSNJ reduces what it pays for covered Hospital charges incurred after the authorized length of stay ends by 50% as a penalty for non-compliance.

Penalties cannot be used to meet this Policy's Maximum Out of Pocket or Cash Deductible.

REQUIRED PRE-SURGICAL REVIEW

Important Notice: If a Covered Person does not comply with these pre-surgical review features, he or she will not be eligible for full benefits under this Policy.

Horizon BCBSNJ requires a Covered Person to get a pre-surgical review for any non-Emergency procedure performed outside of a Practitioner's office. When a Covered Person does not comply with the requirements of this section Horizon BCBSNJ reduces what it pays for covered professional charges for Surgery, as a penalty.

The Covered Person or his or her Practitioner, must request a pre-surgical review from Horizon BCBSNJ. Horizon BCBSNJ must receive the request at least 24 hours before the Surgery is scheduled to occur. If the Surgery is being done in a Hospital, on an Inpatient basis, the pre-surgical review request should be made at the same time as the request for a pre-hospital review.

When Horizon BCBSNJ receives the request, they evaluate the Medical Necessity and Appropriateness of the Surgery and they either:

- a) approve the proposed Surgery, or
- b) require a second surgical opinion regarding the need for the Surgery.

Horizon BCBSNJ notifies the Covered Person's Practitioner, by phone, of the outcome of the review. Horizon BCBSNJ also confirms the outcome of the review in writing.

Second Surgical Opinion

If Horizon BCBSNJ's review does not confirm the Medical Necessity and Appropriateness of the Surgery, the Covered Person may obtain a second surgical opinion. If the second opinion does not confirm the medical necessity of the Surgery, the Covered Person may obtain a third opinion, although he or she is not required to do so.

Horizon BCBSNJ will give the Covered Person a list of Practitioners in his or her area who will give a second opinion. The Covered Person may get the second opinion from a Practitioner of his or her own choosing, if the Practitioner:

- a) is board certified and qualified, by reason of his or her specialty, to give an opinion on the proposed Surgery;
- b) is not a business associate of the Covered Person's Practitioner; and
- c) does not perform the Surgery if it is needed.

Horizon BCBSNJ gives second opinion forms to the Covered Person. The Practitioner he or she chooses fills them out, and then returns them to Horizon BCBSNJ.

Horizon BCBSNJ covers charges for additional surgical opinions, including charges for related x-ray and tests. But what Horizon BCBSNJ pays is based on all the terms of this Policy, except, these charges are not subject to the Cash Deductible or Coinsurance.

Pre-Hospital Review

If the proposed Surgery is to be done on an Inpatient basis, the Required Pre-Hospital Review section must be complied with. See the **Required Pre-Hospital Review** section for details.

Penalties for Non-Compliance

As a penalty for non-compliance, Horizon BCBSNJ reduces what it pays for covered professional charges for Surgery by 50% if:

- a) the Covered Person does not request a pre-surgical review; or
- b) Horizon BCBSNJ is not given at least 24 hours to review and evaluate the proposed Surgery; or
- c) Horizon BCBSNJ requires additional surgical opinions and the Covered Person does not get those opinions before the Surgery is done;
- d) Horizon BCBSNJ does not confirm the need for Surgery.

Penalties cannot be used to meet this Policy's Maximum Out of Pocket or Cash Deductible.

SPECIALTY CASE MANAGEMENT

Important Notice: No Covered Person is required, in any way, to accept a Specialty Case Management Plan recommended by Horizon BCBSNJ.

Definitions

"Specialty Case Management" means those services and supplies which meet both of the following tests:

- a) They are determined, in advance, by Horizon BCBSNJ to be Medically Necessary and Appropriate and cost effective in meeting the long term or intensive care needs of a Covered Person in connection with a Catastrophic Illness or Injury.
- b) While there are other covered services and supplies available under this Policy for the Covered Person's condition, the services and supplies the Horizon BCBSNJ offers to make available under the terms of this provision would not otherwise be payable under this Policy.

Please note: Horizon BCBSNJ has sole Discretion to determine whether to consider Specialty Case Management for a Covered Person.

"Catastrophic Illness or Injury" means one of the following:

- a) head injury requiring an Inpatient stay
- b) spinal cord Injury
- c) severe burns over 20% or more of the body
- d) multiple injuries due to an accident
- e) premature birth
- f) CVA or stroke
- g) congenital defect which severely impairs a bodily function
- h) brain damage due to either an accident or cardiac arrest or resulting from a surgical procedure
- i) terminal Illness, with a prognosis of death within 6 months
- j) Acquired Immune Deficiency Syndrome (AIDS)
- k) Substance Abuse
- l) Mental Illness
- m) any other Illness or Injury determined by Horizon BCBSNJ to be catastrophic.

Specialty Case Management Plan

Horizon BCBSNJ will identify cases of Catastrophic Illness or Injury. The appropriateness of the level of patient care given to a Covered Person as well as the setting in which it is received will be evaluated. In order to maintain or enhance the quality of patient care for the Covered Person, Horizon BCBSNJ will develop a Specialty Case Management Plan.

A Specialty Case Management Plan is a specific written document, developed by Horizon BCBSNJ through discussion and agreement with:

- a) the Covered Person, or his or her legal guardian, if necessary;
- b) the Covered Person's attending Practitioner; and
- c) Horizon BCBSNJ.

The Specialty Case Management Plan includes:

- a) treatment plan objectives;
- b) course of treatment to accomplish the stated objectives;

- c) the responsibility of each of the following parties in implementing the plan: Horizon BCBSNJ ; attending Practitioner; Covered Person; Covered Person's family, if any; and
- d) estimated cost and savings.

If Horizon BCBSNJ, the attending Practitioner, and the Covered Person agree in writing, on a Specialty Case Management Plan, the services and supplies required in connection with such Specialty Case Management Plan will be considered as Covered Charges under the terms of this Policy.

The agreed upon Specialty Case Management treatment must be ordered by the Covered Person's Practitioner.

Benefits payable under the Specialty Case Management Plan will be considered in the accumulation of any Calendar Year and Per Lifetime maximums.

Exclusion

Specialty Case Management does not include services and supplies that Horizon BCBSNJ determines to be Experimental or Investigational.

CENTERS OF EXCELLENCE FEATURES

Important Notice: No Covered Person is required, in any way, to receive medical care and treatment at a Center of Excellence.

Definitions

"Center of Excellence" means a Provider that has entered into an agreement with Horizon BCBSNJ to provide health benefit services for specific procedures. The Centers of Excellence are identified in the Listing of Centers of Excellence.

"Pre-Treatment Screening Evaluation" means the review of past and present medical records and current x-ray and laboratory results by the Center of Excellence to determine whether the Covered Person is an appropriate candidate for the Procedure.

"Procedure" means one or more surgical procedures or medical therapy performed in a Center of Excellence.

Covered Charges

In order for charges to be Covered Charges, the Center of Excellence must:

- a) perform a Pre-Treatment Screening Evaluation; and
- b) determine that the Procedure is Medically Necessary and Appropriate for the treatment of the Covered Person.

Benefits for services and supplies at a Center of Excellence will be subject to the terms and conditions of this Policy. However, the Utilization Review Features will not apply.

EXCLUSIONS

Payment will not be made for any charges incurred for or in connection with:

Care or treatment by means of **acupuncture** except when used as a substitute for other forms of anesthesia.

The amount of any charge which is greater than an **Allowed Charge**.

Services for **ambulance** for transportation from a Hospital or other health care Facility, unless the Covered Person is being transferred to another Inpatient health care Facility.

Blood or blood plasma which is replaced by or for a Covered Person.

Care and or treatment by a **Christian Science** Practitioner.

Completion of claim forms.

Preventive contraceptive services and supplies that are rated "A" or "B" by the United States Preventive Services Task Force shall be excluded from this Policy if the Policyholder is a Religious Employer or and Eligible Organization as defined under 45 C.F.R. 147.131, as amended.

Services or supplies related to **Cosmetic Surgery** except as otherwise stated in this Policy; complications of Cosmetic Surgery; drugs prescribed for cosmetic purposes.

Services related to **custodial** or **domiciliary** care.

Dental care or treatment, including appliances and dental implants, except as otherwise stated in this Policy.

Care or treatment by means of **dose intensive chemotherapy**, except as otherwise stated in this Policy.

Services or supplies, the primary purpose of which is **educational** providing the Covered Person with any of the following: training in the activities of daily living; instruction in scholastic skills such as reading and writing; preparation for an occupation; or treatment for learning disabilities, except as otherwise stated in this Policy.

Experimental or Investigational treatments, procedures, hospitalizations, drugs, biological products or medical devices, except as otherwise stated in this Policy.

Extraction of teeth, except for bony impacted teeth or as otherwise covered under this Policy.

Services or supplies for or in connection with:

- a) except as otherwise stated in this Policy, exams to determine the need for (or changes of) **eyeglasses** or lenses of any type;
- b) eyeglasses or lenses of any type except initial replacements for loss of the natural lens or as otherwise covered under the Policy; or
- c) eye surgery such as radial keratotomy or lasik surgery, when the primary purpose is to correct myopia (nearsightedness), hyperopia (farsightedness) or astigmatism (blurring).

Services or supplies provided by one of the following members of the Employee's **family**: spouse, child, parent, in-law, brother, sister or grandparent.

Services or supplies furnished in connection with any procedures to enhance **fertility** which involve harvesting, storage and/or manipulation of eggs and sperm. This includes, but is not limited to the following: a) procedures: invitro fertilization; embryo transfer; embryo freezing; and Gamete Intra-fallopian Transfer (GIFT) and Zygote Intra-fallopian Transfer (ZIFT); donor sperm, surrogate motherhood and b) Prescription Drugs not eligible under the Prescription Drugs section of this Policy and c) ovulation predictor kits. See also the separate Exclusion addressing sterilization reversal.

Except as stated in the Hearing Aids and Newborn Hearing Screening provisions, Services or supplies related to **hearing aids and hearing exams** to determine the need for hearing aids or the need to adjust them.

Services or supplies related to **herbal medicine**.

Services or supplies related to **hypnotism**.

Services or supplies necessary because the Covered Person engaged, or tried to engage, in an **illegal occupation** or committed or tried to commit an indictable offense in the jurisdiction in which it is committed, or a felony. **Exception:** As required by 29 CFR 2590.702(b)(2)(iii) this exclusion does not apply to injuries that result from an act of domestic violence or to injuries that result from a medical condition.

Except as stated below, **Illness or Injury**, including a condition which is the result of disease or bodily infirmity, which occurred on the job and which is covered or could have been covered for benefits provided under workers' compensation, employer's liability, occupational disease or similar law.

Exception: This exclusion does not apply to the following persons for whom coverage under workers' compensation is optional unless such persons are actually covered for workers' compensation: a self-employed person or a partner of a limited liability partnership, members of a limited liability company or partners of a partnership who actively perform services on behalf of the self-employed business, the limited liability partnership, limited liability company or the partnership.

Local anesthesia charges billed separately if such charges are included in the fee for the Surgery.

Membership costs for health clubs, weight loss clinics and similar programs.

Services and supplies related to **marriage, career or financial counseling, sex therapy or family therapy, nutritional counseling and related services**, except as otherwise stated in this Policy.

Nicotine Dependence Treatment, except as otherwise stated in the Preventive Care section of this Policy.

Any charge identified as a **Non-Covered Charge** or which are specifically limited or excluded elsewhere in this Policy, or which are not Medically Necessary and Appropriate, except as otherwise stated in this Policy.

Non-prescription drugs or supplies, except

- a) insulin needles and syringes and glucose test strips and lancets;
- b) colostomy bags, belts and irrigators; and

c) as stated in this Policy for food and food products for inherited metabolic diseases.

Services provided by a **pastoral counselor** in the course of his or her normal duties as a religious person.

Personal convenience or comfort items including, but not limited to, such items as TV's, telephones, first aid kits, exercise equipment, air conditioners, humidifiers, saunas, hot tubs.

Services or supplies that are not furnished by an eligible **Provider**.

Services related to **Private Duty Nursing care**, except as provided under the Home Health Care section of this Policy.

The following exclusions apply specifically to **Outpatient** coverage of **Prescription Drugs**

- a) Charges to administer a Prescription Drug.
- b) Charges for:
 - immunization agents,
 - allergens and allergy serums
 - biological sera, blood or blood plasma, unless they can be self-administered.
- c) Charges for a Prescription Drug which is: labeled "Caution — limited by Federal Law to Investigational use"; or experimental.
- d) Charges for refills in excess of that specified by the prescribing Practitioner, or refilled too soon, or in excess of therapeutic limits.
- e) Charges for refills dispensed after one year from the original date of the prescription.
- f) Charges for Prescription Drugs as a replacement for a previously dispensed Prescription Drug that was lost, misused, stolen, broken or destroyed
- g) Charges for drugs, except insulin, which can be obtained legally without a Practitioner's prescription.
- h) Charges for a Prescription Drug which is to be taken by or given to the Covered Person, in whole or in part, while confined in:
 - a Hospital
 - a rest home
 - a sanitarium
 - an Extended Care Facility
 - a Hospice
 - a Substance Abuse Center
 - an alcohol abuse or mental health center
 - a convalescent home
 - a nursing home
 - or similar institution
 - a provider' office.
- i) Charges for:
 - therapeutic devices or appliances
 - hypodermic needles or syringes, except insulin syringes
 - support garments; and
- j) other non-medical substances, regardless of their intended use.
- k) Charges for vitamins, except Legend Drug vitamins.
- l) Charges for any drug used in connection with baldness.
- m) Charges for drugs needed due to conditions caused, directly or indirectly, by a Covered Person taking part in a riot or other civil disorder; or the
- n) Covered Person taking part in the commission of a felony.

- o) Charges for drugs needed due to conditions caused, directly or indirectly, by declared or undeclared war or an act of war.
- p) Charges for drugs dispensed to a Covered Person while on active duty in any armed force.
- q) Charges for drugs for which there is no charge. This usually means drugs furnished by the Covered Person's employer, labor union, or similar group in its medical department or clinic; a Hospital or clinic owned or run by any government body; or any public program, except Medicaid, paid for or sponsored by any government body. But, if a charge is made, and Horizon BCBSNJ is legally required to pay it, Horizon BCBSNJ will.
- r) Charges for drugs covered under Home Health Care; or Hospice Care section of this Policy.
- s) Except as stated below, charges for drugs needed due to an on-the-job or job-related Injury or Illness; or conditions for which benefits are payable by Workers' Compensation, or similar laws. **Exception:** This exclusion does not apply to the following persons for whom coverage under workers' compensation is optional unless such persons are actually covered for workers' compensation: a self-employed person or a partner of a limited liability partnership, members of a limited liability company or partners of a partnership who actively perform services on behalf of the self-employed business, the limited liability partnership, limited liability company or the partnership.
- t) Compounded drugs that do not contain at least one ingredient that requires a Prescription Order.
- u) Prescription Drugs or new dosage forms that are used in conjunction with a treatment or procedure that is determined to not be a Covered Service.
- v) Drugs when used for cosmetic purposes. This exclusion is not applicable to Covered Persons with a medically diagnosed congenital defect or birth abnormality who have been covered under the group policy from the moment of birth.
- w) Drugs used solely for the purpose for weight loss.
- x) Life Enhancement Drugs for the treatment of sexual dysfunction, (e.g. Viagra).
- y) Prescription Drugs dispensed outside of the United States, except as required for Emergency treatment.

Services or supplies related to ***rest or convalescent cures***.

Room and board charges for a Covered Person in any Facility for any period of time during which he or she was not physically present overnight in the Facility.

Except as stated in the Preventive Care section, ***Routine examinations*** or preventive care, including related x-rays and laboratory tests, except where a specific Illness or Injury is revealed or where a definite symptomatic condition is present; premarital or similar examinations or tests not required to diagnose or treat Illness or Injury.

Services or supplies related to ***Routine Foot Care*** except:

- a) an open cutting operation to treat weak, strained, flat, unstable or unbalanced feet, metatarsalgia or bunions;
- b) the removal of nail roots; and
- c) treatment or removal of corns, calluses or toenails in conjunction with the treatment of metabolic or peripheral vascular disease.

Self-administered services such as: biofeedback, patient-controlled analgesia on an Outpatient basis, related diagnostic testing, self-care and self-help training.

Services provided by a ***social worker***, except as otherwise stated in this Policy.

Services or supplies:

- a) eligible for payment under either federal or state programs (except Medicaid and Medicare). This provision applies whether or not the Covered Person asserts his or her rights to obtain this coverage or payment for these services;
- b) for which a charge is not usually made, such as a Practitioner treating a professional or business associate, or services at a public health fair;
- c) for which a Covered Person would not have been charged if he or she did not have health care coverage;
- d) provided by or in a government Hospital except as stated below, or unless the services are for treatment:
 - of a non-service Emergency; or
 - by a Veterans' Administration Hospital of a non-service related Illness or Injury;

Exception: This exclusion does not apply to military retirees, their Dependents and the Dependents of active duty military personnel who are covered under both this Policy and under military health coverage and who receive care in facilities of the Uniformed Services.

- e) provided outside the United States unless the Covered Person is outside the United States for one of the following reasons:
 - travel, provided the travel is for a reason other than securing health care diagnosis and/or treatment, and travel is for a period of 6 months or less;
 - business assignment, provided the Covered Person is temporarily outside the United States for a period of 6 months or less; or

Subject to Horizon BCBSNJ Pre-Approval, eligibility for full-time student status, provided the Covered Person is either enrolled and attending an Accredited School in a foreign country; or is participating in an academic program in a foreign country, for which the institution of higher learning at which the student matriculates in the United States, grants academic credit. Charges in connection with full-time students in a foreign country for which eligibility as a full-time student has not been Pre-Approved by Horizon BCBSNJ are Non-Covered Charges.

Stand-by services required by a Provider.

Sterilization reversal - services and supplies rendered for reversal of sterilization.

Surgery, sex hormones, and related medical, psychological and psychiatric services to change a Covered Person's sex; services and supplies arising from complications of sex transformation.

Telephone consultations.

Transplants, except as otherwise listed in this Policy.

Transportation, travel.

Vision therapy.

Vitamins and dietary supplements.

Services or supplies received as a result of a ***war*** or an act of war, if the Illness or Injury occurs while the Covered Person is serving in the military, naval or air forces of any country, combination of countries or international organization and Illness or Injury suffered as a result of special hazards incident to such service if the Illness or Injury occurs while the Covered Person is serving in such forces and is outside the home area.

Weight reduction or control, unless there is a diagnosis of morbid obesity; special foods, food supplements, liquid diets, diet plans or any related products and except as provided in the Nutritional Counseling and Food and Food Products for Inherited Metabolic Diseases provisions.

Wigs, toupees, hair transplants, hair weaving or any drug if such drug is used in connection with baldness.

CONTINUATION RIGHTS

COORDINATION AMONG CONTINUATION RIGHTS SECTIONS

As used in this section, COBRA means the Consolidated Omnibus Budget Reconciliation Act of 1986 as enacted, and later amended.

A Covered Person may be eligible to continue his or her group health benefits under this Policy's **COBRA CONTINUATION RIGHTS** (CCR) section and under other continuation sections of this Policy at the same time.

Continuation Under CCR and **NEW JERSEY GROUP CONTINUATION RIGHTS** (NJGCR): A Covered Person who is eligible to continue his or her group health benefits under CCR is not eligible to continue under NJGCR.

Continuation under CCR and NJGCR and **NEW JERSEY CONTINUATION RIGHTS FOR OVER-AGE DEPENDENTS** (NJCROD): A Dependent who has elected to continue his or her coverage under the group policy under which his or her parent is currently covered pursuant to NJCROD shall not be entitled to further continue coverage under CCR or NJGCR when continuation pursuant to NJCROD ends.

Continuation Under CCR and any other continuation section of this Policy:

If a Covered Person elects to continue his or her group health benefits under this Policy's CCR or NJGCR, as applicable, and any other continuation other than NJCROD, the continuations:

- a) start at the same time;
- b) run concurrently; and
- c) end independently on their own terms.

While covered under more than one continuation section, the Covered Person:

- a) will not be entitled to duplicate benefits; and
- b) will not be subject to the premium requirements of more than one section at the same time.

AN IMPORTANT NOTICE ABOUT CONTINUATION RIGHTS

The following COBRA CONTINUATION RIGHTS section may not apply to the Employer's Policy. The Employee must contact his or her Employer to find out if:

- a) the Employer is subject to the COBRA CONTINUATION RIGHTS section in which case;
- b) the section applies to the Employee.

COBRA CONTINUATION RIGHTS (Generally applies to employer groups with 20 or more employees)

Important Notice

Under this section, "Qualified Continuee" means any person who, on the day before any event which would qualify him or her for continuation under this section, is covered for group health benefits under this Policy as:

- a) an active, covered Employee;
- b) the spouse of an active, covered Employee; or

- c) the Dependent child (except for the child of the Employee's civil union partner) of an active, covered Employee. Except as stated below, any person who becomes covered under this Policy during a continuation provided by this section is not a Qualified Continuee.

A civil union partner, and the child of an Employee's civil union partner are never considered Qualified Continuees eligible to elect CCR. They may, however, be a Qualified Continuee eligible to elect under New Jersey Group Continuation Rights (NJGCR). Refer to the NJGCR section for more information.

Exception: A child who is born to the covered Employee, or who is placed for adoption with the covered Employee during the continuation provided by this section is a Qualified Continuee.

If An Employee's Group Health Benefits Ends

If an Employee's group health benefits end due to his or her termination of employment or reduction of work hours, he or she may elect to continue such benefits for up to 18 months, unless he or she was terminated due to gross misconduct.

A Qualified Continuee may elect to continue coverage under COBRA even if the Qualified Continuee:

- a) is covered under another group plan on or before the date of the COBRA election; or
- b) is entitled to Medicare on or before the date of the COBRA election.

The continuation:

- a) may cover the Employee and any other Qualified Continuee; and
- b) is subject to the **When Continuation Ends** section.

Extra Continuation for Disabled Qualified Continuees

If a Qualified Continuee is determined to be disabled under Title II or Title XVI of the United States Social Security Act on the date his or her group health benefits would otherwise end due to the Employee's termination of employment or reduction of work hours or during the first 60 days of continuation coverage, he or she and any Qualified Continuee who is not disabled may elect to extend his or her 18 month continuation period above for up to an extra 11 months.

To elect the extra 11 months of continuation, the Qualified Continuee or other person acting on his or her behalf must give the Employer written proof of Social Security's determination of his or her disability within 60 days measured from the latest of:

- a) the date on which the Social Security Administration issues the disability determination;
- b) the date the group health benefits would have otherwise ended; or
- c) the date the Qualified Continuee receives the notice of COBRA continuation rights.

If, during this extra 11 month continuation period, the Qualified Continuee is determined to be no longer disabled under the Social Security Act, he or she must notify the Employer within 30 days of such determination, and continuation will end, as explained in the When Continuation Ends section.

An additional 50% of the total premium charge also may be required from the Qualified Continuee by the Employer during this extra 11 month continuation period.

If An Employee Dies While Insured

If an Employee dies while insured, any Qualified Continuee whose group health benefits would otherwise end may elect to continue such benefits. The continuation can last for up to 36 months, subject to the **When Continuation Ends** section.

If An Employee's Marriage Ends

If an Employee's marriage ends due to legal divorce or legal separation, any Qualified Continuee whose group health benefits would otherwise end may elect to continue such benefits. The continuation can last for up to 36 months, subject to the **When Continuation Ends** section.

If A Dependent Loses Eligibility

If a Dependent child's group health benefits end due to his or her loss of dependent eligibility as defined in this Policy, other than the Employee's coverage ending, he or she may elect to continue such benefits. However, such Dependent child must be a Qualified Continuee. The continuation can last for up to 36 months, subject to **When Continuation Ends**.

Concurrent Continuations

If a Dependent elects to continue his or her group health benefits due to the Employee's termination of employment or reduction of work hours, the Dependent may elect to extend his or her 18 month continuation period to up to 36 months, if during the 18 month continuation period, either:

- a) the Dependent becomes eligible for 36 months of group health benefits due to any of the reasons stated above; or
- b) the Employee becomes entitled to Medicare.

The 36 month continuation period starts on the date the 18 month continuation period started, and the two continuation periods will be deemed to have run concurrently.

Special Medicare Rule

Except as stated below, the "special rule" applies to Dependents of an Employee when the Employee becomes entitled to Medicare prior to termination of employment or reduction in work hours. The continuation period for a Dependent upon the Employee's subsequent termination of employment or reduction in work hours will be the longer of the following:

- a) 18 months from the date of the Employee's termination of employment or reduction in work hours; or
- b) 36 months from the date of the Employee's earlier entitlement to Medicare.

Exception: If the Employee becomes entitled to Medicare more than 18 months prior to termination of employment or reduction in work hours, this "special rule" will not apply.

The Qualified Continuee's Responsibilities

A person eligible for continuation under this section must notify the Employer, in writing, of:

- a) the legal divorce or legal separation of the Employee from his or her spouse; or
- b) the loss of dependent eligibility, as defined in this Policy, of an insured Dependent child.

Such notice must be given to the Employer within 60 days of either of these events.

The Employer's Responsibilities

The Employer must notify the Qualified Continuee, in writing, of:

- a) his or her right to continue this Policy's group health benefits;
- b) the monthly premium he or she must pay to continue such benefits; and
- c) the times and manner in which such monthly payments must be made.

Such written notice must be given to the Qualified Continuee within 44 days of:

- a) the date a Qualified Continuee's group health benefits would otherwise end due to the Employee's death or the Employee's termination of employment or reduction of work hours; or

- b) the date a Qualified Continuee notifies the Employer, in writing, of the Employee's legal divorce or legal separation from his or her spouse, or the loss of dependent eligibility of an insured Dependent child.

The Employer's Liability

The Employer will be liable for the Qualified Continuee's continued group health benefits to the same extent as, and in place of, Horizon BCBSNJ, if:

- a) the Employer fails to remit a Qualified Continuee's timely premium payment to Horizon BCBSNJ on time, thereby causing the Qualified Continuee's continued group health benefits to end; or
- b) the Employer fails to notify the Qualified Continuee of his or her continuation rights, as described above.

Election of Continuation

To continue his or her group health benefits, the Qualified Continuee must give the Employer written notice that he or she elects to continue. An election by a minor Dependent Child can be made by the Dependent Child's parent or legal guardian. This must be done within 60 days of the date a Qualified Continuee receives notice of his or her continuation rights from the Employer as described above. And the Qualified Continuee must pay the first month's premium in a timely manner.

The subsequent premiums must be paid to the Employer, by the Qualified Continuee, in advance, at the times and in the manner specified by the Employer. No further notice of when premiums are due will be given.

The monthly premium will be the total rate which would have been charged for the group health benefits had the Qualified Continuee stayed insured under this Policy on a regular basis. It includes any amount that would have been paid by the Employer. Except as explained in the **Extra Continuation for Disabled Qualified Continuees** section, an additional charge of two percent of the total premium charge may also be required by the Employer.

If the Qualified Continuee fails to give the Employer notice of his or her intent to continue, or fails to pay any required premiums in a timely manner, he or she waives his or her continuation rights.

Grace in Payment of Premiums

A Qualified Continuee's premium payment is timely if, with respect to the first payment after the Qualified Continuee elects to continue, such payment is made no later than 45 days after such election. In all other cases, such premium payment is timely if it is made within 31 days of the specified date.

If timely payment is made to the plan in an amount that is not significantly less than the amount the Employer requires to be paid for the period of coverage, then the amount paid is deemed to satisfy the Employer's requirement for the amount that must be paid, unless the plan notifies the Qualified Continuee of the amount of the deficiency and grants an additional 30 days for payment of the deficiency to be made. An amount is not significantly less than the amount the Employer requires to be paid for a period of coverage if and only if the shortfall is no greater than the lesser of the following two amounts:

- a) Fifty dollars (or such other amount as the Commissioner may provide in a revenue ruling, notice, or other guidance published in the Internal Revenue Code Bulletin); or
- b) Ten percent of the amount the plan requires to be paid.

Payment is considered as made on the date on which it is sent to the Employer.

When Continuation Ends

A Qualified Continuee's continued group health benefits end on the first of the following:

- a) with respect to continuation upon the Employee's termination of employment or reduction of work hours, the end of the 18 month period which starts on the date the group health benefits would otherwise end;
- b) with respect to a Qualified Continuee who has elected an additional 11 months of continuation due to his or her own disability or the disability of a family member, the earlier of:
 - the end of the 29 month period which starts on the date the group health benefits would otherwise end; or
 - the first day of the month which coincides with or next follows the date which is 30 days after the date on which a final determination is made that a disabled Qualified Continuee is no longer disabled under Title II or Title XVI of the United States Social Security Act;
- c) with respect to continuation upon the Employee's death, the Employee's legal divorce or legal separation or the end of an insured Dependent's eligibility, the end of the 36 month period which starts on the date the group health benefits would otherwise end;
- d) with respect to a Dependent whose continuation is extended due to the Employee's entitlement to Medicare, the end of the 36 month period which starts on the date the group health benefits would otherwise end;
- e) the date this Policy ends;
- f) the end of the period for which the last premium payment is made;
- g) the date he or she becomes covered under any other group health plan which contains no limitation or exclusion with respect to any Pre-Existing Condition of the Qualified Continuee or contains a pre-existing conditions limitation or exclusion that is eliminated through the Qualified Continuee's total period of creditable coverage.;
- h) the date he or she becomes entitled to Medicare;
- i) termination of a Qualified Continuee for cause (e.g. submission of a fraudulent claim) on the same basis that the Employer terminates coverage of an active employee for cause.

NEW JERSEY GROUP CONTINUATION RIGHTS (NJGCR)

Important Notice

Except as stated below, under this section, "Qualified Continuee" means any person who, on the day before any event which would qualify him or her for continuation under this section, is covered for group health benefits under this Policy as:

- a) a full-time covered Employee;
- b) the spouse of a full-time covered Employee; or
- c) the Dependent child of a full-time covered Employee.

Exception: A Newly Acquired Dependent, where birth, adoption, or marriage occurs after the Qualifying Event is also a "Qualified Continuee" for purposes of being included under the Employee's continuation coverage.

If An Employee's Group Health Benefits Ends

If an Employee's group health benefits end due to his or her termination of employment or reduction of work hours to fewer than 25 hours per week, he or she may elect to continue such benefits for up to 18 months, unless he or she was terminated for cause. The Employee's spouse and Dependent children may elect to continue benefits even if the Employee does not elect continuation for himself or herself.

A Qualified Continuee may elect to continue coverage under NJGCR even if the Qualified Continuee:

- a) is covered under another group plan on or before the date of the NJGCR election; or
- b) is entitled to Medicare on or before the date of the NJGCR election.

The continuation:

- a) may cover the Employee and/or any other Qualified Continuee; and
- b) is subject to the When Continuation Ends section.

Extra Continuation for Disabled Qualified Continuees

If a former Employee who is a Qualified Continuee is determined to be disabled under Title II or Title XVI of the United States Social Security Act on the date his or her group health benefits would otherwise end due to the termination of employment or reduction of work hours to fewer than 25 hours per week or during the first 60 days of continuation coverage, he or she may elect to extend his or her 18-month continuation period for himself or herself and any Dependents who are Qualified Continuees for up to an extra 11 months.

To elect the extra 11 months of continuation, the Qualified Continuee must give the Horizon BCBSNJ written proof of Social Security's determination of his or her disability before the earlier of:

- a) the end of the 18 month continuation period; and
- b) 60 days after the date the Qualified Continuee is determined to be disabled.

If, during this extra 11 month continuation period, the Qualified Continuee is determined to be no longer disabled under the Social Security Act, he or she must notify the Horizon BCBSNJ within 31 days of such determination, and continuation will end, as explained in the When Continuation Ends section.

An additional 50% of the total premium charge also may be required from the Qualified Continuee by the Employer during this extra 11 month continuation period.

If An Employee Dies While Insured

If an Employee dies while insured, any Qualified Continuee whose group health benefits would otherwise end may elect to continue such benefits. The continuation can last for up to 36 months, subject to the When Continuation Ends section.

If An Employee's Marriage or Civil Union Ends

If an Employee's marriage ends due to legal divorce or legal separation or dissolution of the civil union, any Qualified Continuee whose group health benefits would otherwise end may elect to continue such benefits. The continuation can last for up to 36 months, subject to the When Continuation Ends section.

If A Dependent Loses Eligibility

If a Dependent child's group health benefits end due to his or her loss of dependent eligibility as defined in this Policy, other than the Employee's coverage ending, he or she may elect to continue such benefits for up to 36 months, subject to When Continuation Ends.

The Employer's Responsibilities

Upon loss of coverage due to termination of employment or reduction in work hours, the Employer must notify the former employee in writing, of:

- a) his or her right to continue this Policy's group health benefits;
- b) the monthly premium he or she must pay to continue such benefits; and
- c) the times and manner in which such monthly payments must be made.

Upon being advised of the death of the Employee, divorce, dissolution of the civil union or Dependent child's loss of eligibility, the Employer should notify the Qualified Continuee in writing, of:

- a) his or her right to continue this Policy's group health benefits;
- b) the monthly premium he or she must pay to continue such benefits; and

c) the times and manner in which such monthly payments must be made.

Election of Continuation

To continue his or her group health benefits, the Qualified Continuee must give the Employer written notice that he or she elects to continue. An election by a minor Dependent Child can be made by the Dependent Child's parent or legal guardian. This must be done within 30 days of the date coverage ends. The first month's premium must be paid within 30 days of the date the Qualified Continuee elects continued coverage.

The subsequent premiums must be paid to the Employer, by the Qualified Continuee, in advance, at the times and in the manner specified by the Employer.

The monthly premium will be the total rate which would have been charged for the group health benefits had the Qualified Continuee stayed insured under this Policy on a regular basis. It includes any amount that would have been paid by the Employer. Except as explained in the Extra Continuation for Disabled Qualified Continuees section, an additional charge of two percent of the total premium charge may also be required by the Employer.

If the Qualified Continuee does not give the Employer notice of his or her intent to continue coverage, or fails to pay any required premiums in a timely manner, he or she waives his or her continuation rights.

Grace in Payment of Premiums

A Qualified Continuee's premium payment is timely if, with respect to the first payment after the Qualified Continuee elects to continue, such payment is made no later than 30 days after such election. In all other cases, such premium payment is timely if it is made within 31 days of the date it is due.

The Continued Coverage

The continued coverage shall be identical to the coverage provided to similarly situated active Employees and their Dependents under the Employer's plan. If coverage is modified for any group of similarly situated active Employees and their Dependents, the coverage for Qualified Continuees shall also be modified in the same manner. Evidence of insurability is not required for the continued coverage.

When Continuation Ends

A Qualified Continuee's continued group health benefits end on the first of the following:

- a) with respect to continuation upon the Employee's termination of employment or reduction of work hours, the end of the 18 month period which starts on the date the group health benefits would otherwise end;
- b) with respect to a Qualified Continuee who has elected an additional 11 months of continuation due to his or her own disability, the end of the 29 month period which starts on the date the group health benefits would otherwise end. However, if the Qualified Continuee is no longer disabled, coverage ends on the later of:
 - the end of the 18-month period; or
 - the first day of the month that begins more than 31 days after the date on which a final determination is made that a disabled Qualified Continuee is no longer disabled under Title II or Title XVI of the United States Social Security Act;
- c) with respect to continuation upon the Employee's death, the Employee's legal divorce or legal separation, dissolution of the civil union or the end of an insured Dependent's eligibility, the end of the 36 month period which starts on the date the group health benefits would otherwise end;
- d) the date the Employer ceases to provide any health benefits plan to any active Employee or Qualified Continuee;
- e) the end of the period for which the last premium payment is made;

- f) the date he or she first becomes covered under any other group health benefits plan, as an employee or otherwise, which contains no limitation or exclusion with respect to any Pre-Existing Condition of the Qualified Continuee; or
- g) the date he or she first becomes entitled to Medicare.

NEW JERSEY CONTINUATION RIGHTS FOR OVER-AGE DEPENDENTS (Applies to all size groups):

As used in this provision, "Over-Age Dependent" means an Employee's child by blood or law who:

- a) has reached the limiting age under the group plan, but is less than 31 years of age;
- b) is not married or in a civil union partnership;
- c) has no Dependents of his or her own;
- d) is either a resident of New Jersey or is enrolled as a full-time student at an Accredited School; and
- e) is not covered under any other group or individual health benefits plan, group health plan, church plan or health benefits plan, and is not entitled to Medicare on the date the Over-Age Dependent continuation coverage begins.

If A Dependent Is Over the Limiting Age for Dependent Coverage

If a Dependent Child is over the age 26 limiting age for dependent coverage and:

- a) the Dependent child's group health benefits are ending or have ended due to his or her attainment of age 26; or
- b) the Dependent child has proof of prior creditable coverage or receipt of benefits, he or she may elect to be covered under the Employer's plan until his or her 31st birthday, subject to the Conditions for Election, Election of Continuation and When Continuation Ends sections below.

Conditions for Election

An Over-Age Dependent is only entitled to make an election for continued coverage if all of the following conditions are met.

- a) The Over-Age Dependent must provide evidence of prior creditable coverage or receipt of benefits under a group or individual health benefits plan, group health plan, church plan or health benefits plan or Medicare. Such prior coverage must have been in effect at some time prior to making an election for this Over-Age Dependent coverage.
- b) A parent of an Over-Age Dependent must be enrolled as having elected Dependent coverage at the time the Over-Age Dependent elects continued coverage. Except, if the Employee has no other Dependents, or has a Spouse who is covered elsewhere, the Over-Age Dependent may nevertheless select continued coverage.

Election of Continuation

To maintain continuous group health benefits, the Over-Age Dependent must make written election to Horizon BCBSNJ within 30 days of the date the Over-Age Dependent attains age 26. The effective date of the continued coverage will be the date the Dependent would otherwise lose coverage due to attainment of age 26 provided written notice of the election of coverage is given and the first premium is paid.

For a Dependent who was not covered on the date he or she reached the limiting age, the written election may be made within 30 days of the date the Over-Age Dependent attains age 26. The effective date of coverage will be the date the Dependent attains age 26 provided written notice of the election of coverage is given and the first premium is paid within such 30-day period.

For a person who did not qualify as an Over-Age Dependent because he or she failed to meet all the requirements of an Over-Age Dependent, but who subsequently meets all of the requirements for an

Over-Age Dependent, written election may be made within 30 days of the date the person meets all of the requirements for an Over-Age Dependent.

If the election is not made within the 30-day periods described above an eligible Over-Age Dependent may subsequently enroll during an Employee Open Enrollment Period.

Payment of Premium

The first month's premium must be paid within the 30-day election period provided above. If the election is made during the Employee Open Enrollment Period the first premium must be paid before coverage takes effect on January 1 following the Employee Open Enrollment Period.

The Over-Age Dependent must pay subsequent premiums monthly, in advance, at the times and in the manner specified by Horizon BCBSNJ.

Grace in Payment of Premiums

An Over-Age Dependent's premium payment is timely if, with respect to all payments other than the first payment such premium payment is made within 30 days of the date it is due.

The Continued Coverage

The continued coverage shall be identical to the coverage provided to the Over-Age Dependent's parent who is covered as an Employee under this Policy and will be evidenced by a separate Certificate and ID card being issued to the Over-Age Dependent. If coverage is modified for Dependents who are under the limiting age, the coverage for Over-Age Dependents shall also be modified in the same manner.

When Continuation Ends

An Over-Age Dependent's continued group health benefits end on the first of the following:

- a) the date the Over-Age Dependent:
 1. attains age 31
 2. marries or enters into a civil union partnership;
 3. acquires a Dependent;
 4. is no longer either a resident of New Jersey or enrolled as a full-time student at an Accredited School; or
 5. becomes covered under any other group or individual health benefits plan, group health plan, church plan or health benefits plan, or becomes entitled to Medicare.
- b) the end of the period for which premium has been paid for the Over-Age Dependent, subject to the Grace Period for such payment;
- c) the date this Policy ceases to provide coverage to the Over-Age Dependent's parent who is the Employee under this Policy.
- d) The date this Policy under which the Over-Age Dependent elected to continue coverage is amended to delete coverage for Dependents.
- e) The date the Over-Age Dependent's parent who is covered as an Employee under this Policy waives Dependent coverage. Except, if the Employee has no other Dependents, the Over-Age Dependent's coverage will not end as a result of the Employee waiving Dependent coverage.

A TOTALLY DISABLED EMPLOYEE'S RIGHT TO CONTINUE GROUP HEALTH BENEFITS

If An Employee is Totally Disabled

An Employee who is Totally Disabled and whose group health benefits end because his or her active employment or membership in an eligible class ends due to that disability, can elect to continue his or her group health benefits. But he or she must have been insured by this Policy for at least three

months immediately prior to the date his or her group health benefits ends. The continuation can cover the Employee, and at his or her option, his or her then insured Dependents.

How And When To Continue Coverage

To continue group health benefits, the Employee must give the Employer written notice that he or she elects to continue such benefits. And he or she must pay the first month's premium. This must be done within 31 days of the date his or her coverage under this Policy would otherwise end.

Subsequent premiums must be paid to the Employer monthly, in advance, at the times and in the manner specified by the Employer. The monthly premium the Employee must pay will be the total rate charged for an active Full-Time Employee, insured under this Policy on a regular basis, on the date each payment is due. It includes any amount which would have been paid by the Employer.

Horizon BCBSNJ will consider the Employee's failure to give notice or to pay any required premium as a waiver of the Employee's continuation rights.

If the Employer fails, after the timely receipt of the Employee's payment, to pay Horizon BCBSNJ on behalf of such Employee, thereby causing the Employee's coverage to end; then such Employer will be liable for the Employee's benefits, to the same extent as, and in place of, Horizon BCBSNJ.

When This Continuation Ends

These continued group health benefits end on the first of the following:

- a) the end of the period for which the last payment is made, if the Employee stops paying.
- b) the date the Covered Person becomes employed and eligible or covered for similar benefits by another group plan, whether it be an insured or uninsured plan;
- c) the date this Policy ends or is amended to end for the class of Employees to which the Employee belonged; or
- d) with respect to a Dependent, the date he or she stops being an eligible Dependent as defined in this Policy.

AN EMPLOYEE'S RIGHT TO CONTINUE GROUP HEALTH BENEFITS DURING A FAMILY LEAVE OF ABSENCE

Important Notice

This section may not apply to an Employer's Policy. The Employee must contact his or her Employer to find out if:

- a) the Employer must allow for a leave of absence under Federal law in which case;**
- b) the section applies to the Employee.**

If An Employee's Group Health Coverage Ends

Group health coverage may end for an Employee because he or she ceases Full-Time work due to an approved leave of absence. Such leave of absence must have been granted to allow the Employee to care for a sick family member or after the birth or adoption of a child. If so, his or her group health benefits insurance will be continued. Dependents' insurance may also be continued. The Employee will be required to pay the same share of premium as before the leave of absence.

When Continuation Ends

Insurance may continue until the earliest of:

- a) the date the Employee returns to Full-Time work;
- b) the end of a total leave period of 12 weeks in any 12 month period;

- c) the date on which the Employee's coverage would have ended had the Employee not been on leave;
or
- d) the end of the period for which the premium has been paid.

A DEPENDENT'S RIGHT TO CONTINUE GROUP HEALTH BENEFITS

If an Employee dies, any of his or her Dependents who were insured under this Policy may elect to continue coverage. Subject to the payment of the required premium, coverage may be continued until the earlier of:

- a) 180 days following the date of the Employee's death; or
- b) the date the Dependent is no longer eligible under the terms of this Policy.

CONVERSION RIGHTS FOR DIVORCED SPOUSES

IF AN EMPLOYEE'S MARRIAGE OR CIVIL UNION ENDS

If an Employee's marriage ends by legal divorce or annulment or the employee's civil union is dissolved, the group health benefits for his or her former spouse ends. The former spouse may convert to an individual major medical policy during the conversion period. The former spouse may insure under his or her individual policy any of his or her Dependent children who were insured under this Policy on the date the group health benefits ends. See **exceptions** below.

Exceptions

No former spouse may use this conversion right:

- a) if he or she is eligible for Medicare; or
- b) if it would cause him or her to be overinsured.

This may happen if the spouse is covered or eligible for coverage providing similar benefits provided by any other plan, insured or not insured. Horizon BCBSNJ will determine if overinsurance exists using its standards for overinsurance.

HOW AND WHEN TO CONVERT

The conversion period means the 31 days after the date group health benefits ends. The former spouse must apply for the individual policy in writing and pay the first premium for such policy during the conversion period. Evidence of insurability will not be required.

THE CONVERTED POLICY

The individual policy will provide the medical benefits that Horizon BCBSNJ is required to offer in the state where the Employer is located.

The individual policy will take effect on the day after group health benefits under this Policy ends.

After group health benefits under this Policy ends, the former spouse and any children covered under the individual policy may still be paid benefits under this Policy. If so, benefits to be paid under the individual policy will be reduced by the amount paid under this Policy.

EFFECT OF INTERACTION WITH A HEALTH MAINTENANCE ORGANIZATION PLAN

HEALTH MAINTENANCE ORGANIZATION ("HMO") means a prepaid alternative health care delivery system.

A Policyholder may offer its Employees HMO membership in lieu of the group health benefits insurance provided by this Policy. If the Employer does the following provisions apply.

IF AN INSURED EMPLOYEE ELECTS HMO MEMBERSHIP

Date Group Health Benefits Insurance Ends

Insurance for an Employee and his or her Dependents will end on the date the Employee becomes an HMO member.

Benefits After Group Health Benefits Insurance Ends

When an Employee becomes an HMO member, the **Extended Health Benefits** section of this Policy will not apply to him or her and his or her Dependents.

Exception:

IF, on the date membership takes effect, the HMO does not provide benefits due to:

- a) an HMO waiting period
- b) an HMO Pre-Existing Conditions limit, or
- c) a confinement in a Hospital not affiliated with the HMO

AND the HMO provides benefits for Total Disability when membership ends

THEN group health benefits will be paid until the first of the following occurs:

- a) 30 days expire from the date membership takes effect
- b) the HMO's waiting period ends
- c) the HMO's Pre-Existing Conditions limit expires, or
- d) hospitalization ends.

IF AN HMO MEMBER ELECTS GROUP HEALTH BENEFITS INSURANCE PROVIDED BY THIS POLICY

Date Transfer To Such Insurance Takes Effect

Each Employee who is an HMO member may transfer to such insurance by written request. If he or she elects to do so, any Dependents who are HMO members must also be included in such request. The date such persons are to be insured depends on when and why the transfer request is made.

Request made during an open enrollment period

Horizon BCBSNJ and the Policyholder will agree when this period will be. If an Employee requests insurance during this period, he or she and his or her Dependents will be insured on the date such period ends.

Request Made Because:

- a) an HMO ends its operations
- b) the Employee no longer lives, works or resides in the HMO service area

If an Employee requests insurance because membership ends for these reasons, the date he or she and his or her Dependents are to be insured depends on the date the request is made.

If it is made:

- a) on or before the date membership ends, they will be insured on the date such membership ends
- b) within 31 days after the date membership ends, they will be insured on the date the request is made
- c) more than 31 days after the date membership ends, the Employee and his or her Dependents will be Late Enrollees.

Request made because an HMO becomes insolvent

If an Employee requests insurance because membership ends for this reason, the date he- or she and his or her Dependents are to be insured depends on the date the request is made.

If it is made:

- a) within 31 days after the date membership ends, they will be insured on the date the request is made
- b) more than 31 days after the date membership ends, the Employee and his or her Dependents will be Late Enrollees.

Request made at any other time

An Employee may request insurance at any time other than that described above. In this case, he or she and his or her Dependents will be Late Enrollees.

Other Provisions Affected By A Transfer

If a person makes a transfer, the following provisions, if required by this Policy for such insurance, will not apply on the transfer date:

- a) an Actively at Work requirement
- b) a waiting period to the extent it has already been satisfied, or
- c) Pre-Existing Conditions Limitation provisions to the extent it has already been satisfied.

Charges not covered

Charges incurred before a person becomes insured will be considered Non-Covered Charges.

Right to change premium rates

Horizon BCBSNJ has the right to change premium rates when, in its opinion, its liability under this Policy is changed by interaction with an HMO plan.

COORDINATION OF BENEFITS AND SERVICES

Purpose Of This Provision

A Covered Person may be covered for health benefits or services by more than one Plan. For instance, he or she may be covered by this Policy as an Employee and by another plan as a Dependent of his or her spouse. If he or she is covered by more than one Plan, this provision allows Horizon BCBSNJ to coordinate what Horizon BCBSNJ pays or provides with what another Plan pays or provides. This provision sets forth the rules for determining which is the Primary Plan and which is the Secondary Plan. Coordination of benefits is intended to avoid duplication of benefits while at the same time preserving certain rights to coverage under all Plans under which the Covered Person is covered.

DEFINITIONS

The words shown below have special meanings when used in this provision. Please read these definitions carefully. Throughout this provision, these defined terms appear with their initial letter capitalized.

Allowable Expense: The charge for any health care service, supply or other item of expense for which the Covered Person is liable when the health care service, supply or other item of expense is covered at least in part under any of the Plans involved, except where a statute requires another definition, or as otherwise stated below.

When this Policy is coordinating benefits with a Plan that provides benefits only for dental care, vision care, prescription drugs or hearing aids, Allowable Expense is limited to like items of expense.

Horizon BCBSNJ will not consider the difference between the cost of a private hospital room and that of a semi-private hospital room as an Allowable Expense unless the stay in a private room is Medically Necessary and Appropriate.

When this Policy is coordinating benefits with a Plan that restricts coordination of benefits to a specific coverage, Horizon BCBSNJ will only consider corresponding services, supplies or items of expense to which coordination of benefits applies as an Allowable Expense.

Allowed Charge: An amount that is not more than the usual or customary charge for the service or supply as determined by Horizon BCBSNJ, based on a standard which is most often charged for a given service by a Provider within the same geographic area .

Claim Determination Period: A Calendar Year, or portion of a Calendar Year, during which a Covered Person is covered by this Policy and at least one other Plan and incurs one or more Allowable Expense(s) under such plans.

Plan: Coverage with which coordination of benefits is allowed. Plan includes:

- a) Group insurance and group subscriber contracts, including insurance continued pursuant to a Federal or State continuation law;
- b) Self-funded arrangements of group or group-type coverage, including insurance continued pursuant to a Federal or State continuation law;
- c) Group or group-type coverage through a health maintenance organization (HMO) or other prepayment, group practice and individual practice plans, including insurance continued pursuant to a Federal or State continuation law;
- d) Group hospital indemnity benefit amounts that exceed \$150 per day;

- e) Medicare or other governmental benefits, except when, pursuant to law, the benefits must be treated as in excess of those of any private insurance plan or non-governmental plan.

"Plan" does not include:

- a) Individual or family insurance contracts or subscriber contracts;
- b) Individual or family coverage through a health maintenance organization or under any other prepayment, group practice and individual practice plans;
- c) Group or group-type coverage where the cost of coverage is paid solely by the Covered Person except that coverage being continued pursuant to a Federal or State continuation law shall be considered a Plan;
- d) Group hospital indemnity benefit amounts of \$150 per day or less;
- e) School accident –type coverage;
- f) A State plan under Medicaid.

Primary Plan: A Plan whose benefits for a Covered Person's health care coverage must be determined without taking into consideration the existence of any other Plan. There may be more than one Primary Plan. A Plan will be the Primary Plan if either either "a" or "b" below exist:

The Plan has no order of benefit determination rules, or it has rules that differ from those contained in this Coordination of Benefits and Services provision; or

All Plans which cover the Covered Person use order of benefit determination rules consistent with those contained in the Coordination of Benefits and Services provision and under those rules, the plan determines its benefits first.

Secondary Plan: A Plan which is not a Primary Plan. If a Covered Person is covered by more than one Secondary Plan, the order of benefit determination rules of this Coordination of Benefits and Services provision shall be used to determine the order in which the benefits payable under the multiple Secondary Plans are paid in relation to each other. The benefits of each Secondary Plan may take into consideration the benefits of the Primary Plan or Plans and the benefits of any other Plan which, under this Coordination of Benefits and Services provision, has its benefits determined before those of that Secondary Plan.

PRIMARY AND SECONDARY PLAN

Horizon BCBSNJ considers each plan separately when coordinating payments.

The Primary Plan pays or provides services or supplies first, without taking into consideration the existence of a Secondary Plan. If a Plan has no coordination of benefits provision, or if the order of benefit determination rules differ from those set forth in these provisions, it is the Primary Plan.

A Secondary Plan takes into consideration the benefits provided by a Primary Plan when, according to the rules set forth below, the plan is the Secondary Plan. If there is more than one Secondary Plan, the order of benefit determination rules determine the order among the Secondary Plans. During each Claim Determination Period the Secondary Plan(s) will pay up to the remaining unpaid allowable expenses, but no Secondary Plan will pay more than it would have paid if it had been the Primary Plan. The method the Secondary Plan uses to determine the amount to pay is set forth below in the "**Procedures to be Followed by the Secondary Plan to Calculate Benefits**" section of this provision.

The Secondary Plan shall not reduce Allowable Expenses for medically necessary and appropriate services or supplies on the basis that precertification, preapproval, notification or second surgical opinion procedures were not followed.

RULES FOR THE ORDER OF BENEFIT DETERMINATION

The benefits of the Plan that covers the Covered Person as an employee, member, subscriber or retiree shall be determined before those of the Plan that covers the Covered Person as a Dependent. The coverage as an employee, member, subscriber or retiree is the Primary Plan.

The benefits of the Plan that covers the Covered Person as an employee who is neither laid off nor retired, or as a dependent of such person, shall be determined before those for the Plan that covers the Covered Person as a laid off or retired employee, or as such a person's Dependent. If the other Plan does not contain this rule, and as a result the Plans do not agree on the order of benefit determination, this portion of this provision shall be ignored.

The benefits of the Plan that covers the Covered Person as an employee, member, subscriber or retiree, or Dependent of such person, shall be determined before those of the Plan that covers the Covered Person under a right of continuation pursuant to Federal or State law. If the other Plan does not contain this rule, and as a result the Plans do not agree on the order of benefit determination, this portion of this provision shall be ignored.

If a child is covered as a Dependent under Plans through both parents, and the parents are neither separated nor divorced, the following rules apply:

- a) The benefits of the Plan of the parent whose birthday falls earlier in the Calendar Year shall be determined before those of the parent whose birthday falls later in the Calendar Year.
- b) If both parents have the same birthday, the benefits of the Plan which covered the parent for a longer period of time shall be determined before those of plan which covered the other parent for a shorter period of time.
- c) Birthday, as used above, refers only to month and day in a calendar year, not the year in which the parent was born.
- d) If the other plan contains a provision that determines the order of benefits based on the gender of the parent, the birthday rule in this provision shall be ignored.

If a child is covered as a Dependent under Plans through both parents, and the parents are separated or divorced, the following rules apply:

- a) The benefits of the Plan of the parent with custody of the child shall be determined first.
- b) The benefits of the Plan of the spouse of the parent with custody shall be determined second.
- c) The benefits of the Plan of the parent without custody shall be determined last.
- d) If the terms of a court decree state that one of the parents is responsible for the health care expenses for the child, and if the entity providing coverage under that Plan has actual knowledge of the terms of the court decree, then the benefits of that plan shall be determined first. The benefits of the plan of the other parent shall be considered as secondary. Until the entity providing coverage under the plan has knowledge of the terms of the court decree regarding health care expenses, this portion of this provision shall be ignored.

If the above order of benefits does not establish which plan is the Primary Plan, the benefits of the Plan that covers the employee, member or subscriber for a longer period of time shall be determined before the benefits of the Plan(s) that covered the person for a shorter period of time.

Procedures to be Followed by the Secondary Plan to Calculate Benefits

In order to determine which procedure to follow it is necessary to consider:

- a) the basis on which the Primary Plan and the Secondary Plan pay benefits; and

- b) whether the provider who provides or arranges the services and supplies is in the network of either the Primary Plan or the Secondary Plan.

Benefits may be based on the Allowed Charge (AC), or some similar term. This means that the provider bills a charge and the Covered Person may be held liable for the full amount of the billed charge. In this section, a Plan that bases benefits on an Allowed Charge is called an “AC Plan.”

Benefits may be based on a contractual fee schedule, sometimes called a negotiated fee schedule, or some similar term. This means that although a provider, called a network provider, bills a charge, the Covered Person may be held liable only for an amount up to the negotiated fee. In this section, a Plan that bases benefits on a negotiated fee schedule is called a “Fee Schedule Plan.” Fee Schedule Plans may require that Covered Person use network providers. Examples of such plans are Health Maintenance Organization plans (HMO) and Exclusive Provider organization plans (EPO). If the Covered Person uses the services of a non-network provider, the plan will be treated as an AC Plan even though the plan under which he or she is covered allows for a fee schedule. Examples of such plans are Preferred provider organization plans (PPO) and Point of Service plans (POS).

Payment to the provider may be based on a “capitation”. This means that then HMO or EPO or other plans pays the provider a fixed amount per Covered Person. The Covered Person is liable only for the applicable deductible, coinsurance or copayment. If the Covered Person uses the services of a non-network provider, the HMO or other plans will only pay benefits in the event of emergency care or urgent care. In this section, a Plan that pays providers based upon capitation is called a “Capitation Plan.”

In the rules below, “provider” refers to the provider who provides or arranges the services or supplies and “HMO” refers to a health maintenance organization plan and “EPO” refers to Exclusive Provider Organization.

Primary Plan is AC Plan and Secondary Plan is AC Plan

The Secondary Plan shall pay the lesser of:

- a) The difference between the amount of the billed charges and the amount paid by the Primary Plan; or
- b) The amount the Secondary Plan would have paid if it had been the Primary Plan.

When the benefits of the Secondary Plan are reduced as a result of this calculation, each benefit shall be reduced in proportion, and the amount paid shall be charged against any applicable benefit limit of the plan.

Primary Plan is Fee Schedule Plan and Secondary Plan is Fee Schedule Plan

If the provider is a network provider in both the Primary Plan and the Secondary Plan, the Allowable Expense shall be the fee schedule of the Primary Plan. The Secondary Plan shall pay the lesser of:

- a) The amount of any deductible, coinsurance or copayment required by the Primary Plan; or
- b) The amount the Secondary Plan would have paid if it had been the Primary Plan.

The total amount the provider receives from the Primary plan, the Secondary plan and the Covered Person shall not exceed the fee schedule of the Primary Plan. In no event shall the Covered Person be responsible for any payment in excess of the copayment, coinsurance or deductible of the Secondary Plan.

Primary Plan is AC Plan and Secondary Plan is Fee Schedule Plan

If the provider is a network provider in the Secondary Plan, the Secondary Plan shall pay the lesser of:

- a) The difference between the amount of the billed charges for the Allowable Expenses and the amount paid by the Primary Plan; or
- b) The amount the Secondary Plan would have paid if it had been the Primary Plan.

The Covered Person shall only be liable for the copayment, deductible or coinsurance under the Secondary Plan if the Covered Person has no liability for copayment, deductible or coinsurance under the Primary Plan and the total payments by both the primary and Secondary Plans are less than the provider's billed charges. In no event shall the Covered Person be responsible for any payment in excess of the copayment, coinsurance or deductible of the Secondary Plan.

Primary Plan is Fee Schedule Plan and Secondary Plan is AC Plan

If the provider is a network provider in the Primary Plan, the Allowable Expense considered by the Secondary Plan shall be the fee schedule of the Primary Plan. The Secondary Plan shall pay the lesser of:

- a) The amount of any deductible, coinsurance or copayment required by the Primary Plan; or
- b) The amount the Secondary Plan would have paid if it had been the Primary Plan.

Primary Plan is Fee Schedule Plan and Secondary Plan is AC Plan or Fee Schedule Plan

If the Primary Plan is an HMO or EPO plan that does not allow for the use of non-network providers except in the event of urgent care or emergency care and the service or supply the Covered Person receives from a non-network provider is not considered as urgent care or emergency care, the Secondary Plan shall pay benefits as if it were the Primary Plan.

Primary Plan is Capitation Plan and Secondary Plan is Fee Schedule Plan or AC Plan

If the Covered Person receives services or supplies from a provider who is in the network of both the Primary Plan and the Secondary Plan, the Secondary Plan shall pay the lesser of:

- a) The amount of any deductible, coinsurance or copayment required by the Primary Plan; or
- b) The amount the Secondary Plan would have paid if it had been the Primary Plan.

Primary Plan is Capitation Plan or Fee Schedule Plan or AC Plan and Secondary Plan is Capitation Plan

If the Covered Person receives services or supplies from a provider who is in the network of the Secondary Plan, the Secondary Plan shall be liable to pay the capitation to the provider and shall not be liable to pay the deductible, coinsurance or copayment imposed by the Primary Plan. The Covered Person shall not be liable to pay any deductible, coinsurance or copayments of either the Primary Plan or the Secondary Plan.

Primary Plan is an HMO or EPO and Secondary Plan is an HMO or EPO

If the Primary Plan is an HMO or EPO plan that does not allow for the use of non-network providers except in the event of urgent care or emergency care and the service or supply the Covered Person receives from a non-network provider is not considered as urgent care or emergency care, but the provider is in the network of the Secondary Plan, the Secondary Plan shall pay benefits as if it were the Primary Plan. Except that the Primary Plan shall pay out-of-Network services, if any, authorized by the Primary Plan.

BENEFITS FOR AUTOMOBILE RELATED INJURIES

This section will be used to determine a person's benefits under this Policy when expenses are incurred as a result of an automobile related Injury.

Definitions

"Automobile Related Injury" means bodily Injury sustained by a Covered Person as a result of an accident:

- a) while occupying, entering, leaving or using an automobile; or
- b) as a pedestrian;

caused by an automobile or by an object propelled by or from an automobile.

"Allowable Expense means a medically necessary, reasonable and customary item of expense covered at least in part as an eligible expense by:

- a) this Policy;
- b) PIP; or
- c) OSAIC.

"Eligible Expense" means that portion of expense incurred for treatment of an Injury which is covered under this Policy without application of Cash Deductibles and Copayments, if any or Coinsurance.

"Out-of-State Automobile Insurance Coverage" or "OSAIC" means any coverage for medical expenses under an automobile insurance policy other than PIP. OSAIC includes automobile insurance policies issued in another state or jurisdiction.

"PIP" means personal injury protection coverage provided as part of an automobile insurance policy issued in New Jersey. PIP refers specifically to provisions for medical expense coverage.

Determination of primary or secondary coverage.

This Policy provides secondary coverage to PIP unless health coverage has been elected as primary coverage by or for the Covered Person under this Policy. This election is made by the named insured under a PIP policy. Such election affects that person's family members who are not themselves named insureds under another automobile policy. This Policy may be primary for one Covered Person, but not for another if the person has separate automobile policies and has made different selections regarding primacy of health coverage.

This Policy is secondary to OSAIC, unless the OSAIC contains provisions which make it secondary or excess to the policyholder's plan. In that case this Policy will be primary.

If there is a dispute as to which policy is primary, this Policy will pay benefits as if it were primary.

Benefits this Policy will pay if it is primary to PIP or OSAIC.

If this Policy is primary to PIP or OSAIC it will pay benefits for eligible expenses in accordance with its terms.

The rules of the **COORDINATION OF BENEFITS AND SERVICES** section of this Policy will apply if:

- a) the Covered Person is insured under more than one insurance plan; and
- b) such insurance plans are primary to automobile insurance coverage.

Benefits this Policy will pay if it is secondary to PIP or OSAIC.

If this Policy is secondary to PIP or OSAIC the actual benefits payable will be the lesser of:

- a) the allowable expenses left uncovered after PIP or OSAIC has provided coverage after applying Cash Deductibles and Copayments, or
- b) the benefits that would have been paid if this Policy had been primary.

Medicare

If this Policy supplements coverage under Medicare it can be primary to automobile insurance only to the extent that Medicare is primary to automobile insurance.

MEDICARE AS SECONDARY PAYOR

IMPORTANT NOTICE

The following sections regarding Medicare may not apply to the Employer's Policy. The Employee must contact his or her Employer to find out if the Employer is subject to Medicare as Secondary Payor rules.

If the Employer is subject to such rules, this Medicare as Secondary Payor section applies to the Employee.

If the Employer is NOT subject to such rules, this Medicare as Secondary Payor section does not apply to the Employee, in which case, Medicare will be the primary health plan and this Policy will be the secondary health plan for Covered Persons who are eligible for Medicare.

The following provisions explain how this Policy's group health benefits interact with the benefits available under Medicare as Secondary Payor rules. A Covered Person may be eligible for Medicare by reason of age, disability, or End Stage Renal Disease. Different rules apply to each type of Medicare eligibility, as explained below.

With respect to the following provisions:

- a) "Medicare" when used above, means Part A and B of the health care program for the aged and disabled provided by Title XVIII of the United States Social Security Act, as amended from time to time.
- b) A Covered Person is considered to be eligible for Medicare by reason of age from the first day of the month during which he or she reaches age 65. However, if the Covered Person is born on the first day of a month, he or she is considered to be eligible for Medicare from the first day of the month which is immediately prior to his or her 65th birthday.
- c) A "primary" health plan pays benefits for a Covered Person's Covered Charge first, ignoring what the Covered Person's "secondary" plan pays. A "secondary" health plan then pays the remaining unpaid allowable expenses. See the **Coordination of Benefits** section for a definition of "allowable expense".
- d) "We" means Carrier

MEDICARE ELIGIBILITY BY REASON OF AGE (Generally applies to employer groups with 20 or more employees)

Applicability

This section applies to an Employee or his or her insured spouse who is eligible for Medicare by reason of age. This section does not apply to an insured civil union partner who is eligible for Medicare by reason of age.

Under this section, such an Employee or insured spouse is referred to as a "Medicare eligible".

This section does not apply to:

- a) a Covered Person, other than an Employee or insured spouse
- b) an Employee or insured spouse who is under age 65, or
- c) a Covered Person who is eligible for Medicare solely on the basis of End Stage Renal Disease.

When An Employee or Insured Spouse Becomes Eligible For Medicare

When an Employee or insured spouse becomes eligible for Medicare by reason of age, he or she must choose one of the two options below.

Option (A) - The Medicare eligible may choose this Policy as his or her primary health plan. If he or she does, Medicare will be his or her secondary health plan. See the **When This Policy is Primary** section below, for details.

Option (B) - The Medicare eligible may choose Medicare as his or her primary health plan. If he or she does, group health benefits under this Policy will end. See the **When Medicare is Primary** section below, for details.

If the Medicare eligible fails to choose either option when he or she becomes eligible for Medicare by reason of age, Horizon BCBSNJ will pay benefits as if he or she had chosen Option (A).

When this Policy is primary

When a Medicare eligible chooses this Policy as his or her primary health plan, if he or she incurs a Covered Charge for which benefits are payable under both this Policy and Medicare, this Policy is considered primary. This Policy pays first, ignoring Medicare. Medicare is considered the secondary plan.

When Medicare is primary

If a Medicare eligible chooses Medicare as his or her primary health plan, he or she will no longer be covered for such benefits by this Policy. Coverage under this Policy will end on the date the Medicare eligible elects Medicare as his or her primary health plan.

A Medicare eligible who elects Medicare as his or her primary health plan, may later change such election, and choose this Policy as his or her primary health plan.

MEDICARE ELIGIBILITY BY REASON OF DISABILITY (Generally applies to employer groups with 100 or more employees)

Applicability

This section applies to a Covered Person who is:

- a) a) under age 65; except for the Employee's civil union partner or the child of the Employee's civil union partner and
- b) eligible for Medicare by reason of disability.

Under this section, such Covered Person is referred to as a "disabled Medicare eligible".

This section does not apply to:

- a) a Covered Person who is eligible for Medicare by reason of age; or
- b) a Covered Person who is eligible for Medicare solely on the basis of End Stage Renal Disease; or
- c) a Covered Person who is the Employee's civil union partner or the child of the Employee's civil union partner

When A Covered Person Becomes Eligible For Medicare

When a Covered Person becomes eligible for Medicare by reason of disability, this Policy is the primary plan. Medicare is the secondary plan.

If a Covered Person is eligible for Medicare by reason of disability, he or she must be covered by both Parts A and B. Benefits will be payable as specified in the **COORDINATION OF BENEFITS AND SERVICES** section of this Policy.

MEDICARE ELIGIBILITY BY REASON OF END STAGE RENAL DISEASE (Applies to all employer groups)

Applicability

This section applies to a Covered Person who is eligible for Medicare on the basis of End Stage Renal Disease (ESRD).

Under this section such Covered Person is referred to as a "ESRD Medicare eligible".

This section does not apply to a Covered Person who is eligible for Medicare by reason of disability.

When A Covered Person Becomes Eligible For Medicare Due to ESRD

When a Covered Person becomes eligible for Medicare solely on the basis of ESRD, for a period of up to 30 consecutive months, if he or she incurs a charge for the treatment of ESRD for which benefits are payable under both this Policy and Medicare, this Policy is considered primary. This Policy pays first, ignoring Medicare. Medicare is considered the secondary plan.

This 30 month period begins on the earlier of:

- a) the first day of the month during which a regular course of renal dialysis starts; and
- b) with respect to a ESRD Medicare eligible who receives a kidney transplant, the first day of the month during which such Covered Person becomes eligible for Medicare.

After the 30 month period described above ends, if an ESRD Medicare eligible incurs a charge for which benefits are payable under both this Policy and Medicare, Medicare is the primary Plan. This Policy is the secondary Plan. If a Covered Person is eligible for Medicare on the basis of ESRD, he or she must be covered by both Parts A and B. Benefits will be payable as specified in the **COORDINATION OF BENEFITS** section of this Policy.